

POSTMASTERS.

FLORIDA.

Fannie Adams to be postmaster at Paxton, Fla., in place of F. A. Florence, resigned.

ILLINOIS.

G. B. Bushee to be postmaster at Buda, Ill., in place of Nehemiah J. Knipple. Incumbent's commission expired February 23, 1909.

Clark M. Piper to be postmaster at Bridgeport, Ill. Office became presidential January 1, 1908.

INDIANA.

Albert Boley to be postmaster at National Military Home, Ind., in place of Alexander Abernathy, removed.

H. D. Moore to be postmaster at Moores Hill, Ind. Office became presidential October 1, 1908.

Samuel Morris to be postmaster at Eaton, Ind., in place of Moses E. Black. Incumbent's commission expired March 2, 1909.

IOWA.

S. H. Carhart to be postmaster at Mapleton, Iowa, in place of Charles E. Carmody, resigned.

A. W. Hakes to be postmaster at Rock Valley, Iowa, in place of Frank A. Large, resigned.

KANSAS.

William J. Waterbury to be postmaster at Haven, Kans. Office became presidential April 1, 1909.

MISSOURI.

James D. Bush to be postmaster at Marceline, Mo., in place of James D. Bush. Incumbent's commission expired March 1, 1909.

Benjamin F. Guthrie to be postmaster at Milan, Mo., in place of Benjamin F. Guthrie. Incumbent's commission expired February 23, 1909.

John W. Moore to be postmaster at California, Mo., in place of Godfrey Haldiman. Incumbent's commission expired January 14, 1909.

NEBRASKA.

John A. Schleaf to be postmaster at Overton, Nebr. Office became presidential January 1, 1909.

NEW JERSEY.

Peter Hall Packer to be postmaster at Sea Bright, N. J., in place of Ebenezer S. Nesbitt. Incumbent's commission expired December 9, 1906.

NEW YORK.

Albert S. Harris to be postmaster at New Hartford, N. Y., in place of Albert P. Seaton. Incumbent's commission expired December 14, 1908.

Samuel P. Poole to be postmaster at Hicksville, N. Y., in place of Samuel P. Poole. Incumbent's commission expired December 13, 1908.

NORTH DAKOTA.

Sarah A. Barry to be postmaster at Hettinger, N. Dak. Office became presidential January 1, 1909.

Anton Berger to be postmaster at Milnor, N. Dak., in place of James D. McKenzie, deceased.

OHIO.

William D. Archer to be postmaster at Pleasant City, Ohio. Office became presidential January 1, 1908.

Edson B. Conner to be postmaster at Bremen, Ohio. Office became presidential April 1, 1909.

SOUTH DAKOTA.

William A. Abbott to be postmaster at Waubay, S. Dak., in place of William A. Abbott. Incumbent's commission expired February 1, 1909.

TENNESSEE.

Andrew N. Brown to be postmaster at Woodbury, Tenn. Office became presidential April 1, 1909.

TEXAS.

W. K. Davis to be postmaster at Gonzales, Tex., in place of Anderson L. Davis. Incumbent's commission expired April 27, 1908.

WEST VIRGINIA.

A. S. Overholt to be postmaster at Marlinton, W. Va., in place of Nathan C. McNeil. Incumbent's commission expired January 9, 1909.

CONFIRMATIONS.

Executive nominations confirmed by the Senate April 20, 1909.

ASSOCIATE JUSTICE SUPREME COURT OF ARIZONA.

John H. Campbell to be associate justice of the supreme court of the Territory of Arizona.

APPOINTMENT IN THE NAVY.

Maj. C. Shirley to be an assistant paymaster.

POSTMASTERS.

COLORADO.

Davis H. Sayler, at Cortez, Colo.

ILLINOIS.

Henry J. Faithorn, at Berwyn, Ill.

IOWA.

James P. Flick, at Bedford, Iowa.

LOUISIANA.

W. J. Behan, at New Orleans, La.

NORTH CAROLINA.

Albert Richardson Kirk, at Albemarle, N. C.

OKLAHOMA.

James L. Admire, at Fairview, Okla.

Charles C. Archer, at Antlers, Okla.

A. M. Brixey, at Mounds, Okla.

John Coyle, at Rush Springs, Okla.

Paul Gilbert, at Fort Cobb, Okla.

Charles B. Ramsey, at Davis, Okla.

Hugh Scott, at Waukomis, Okla.

Howard E. Wallace, at Spiro, Okla.

TEXAS.

L. C. Burnecke, at Wolfe City, Tex.

Isidore Newman, at Mexia, Tex.

SENATE.

WEDNESDAY, April 21, 1909.

Prayer by Rev. Ulysses G. B. Pierce, of the city of Washington. The Journal of yesterday's proceedings was read and approved.

FOREIGN PRODUCTS IN DOMESTIC MARKETS.

The VICE-PRESIDENT laid before the Senate a communication from the Secretary of State, transmitting, in response to the resolutions of the Senate of April 5, 1909, copies of reports relating to the practice of selling foreign manufactured goods in this country at a price lower than the domestic prices, etc. (S. Doc. No. 16), which, with the accompanying papers, was referred to the Committee on Finance and ordered to be printed.

STATISTICS RELATIVE TO SUGAR.

The VICE-PRESIDENT laid before the Senate a communication from the Secretary of Commerce and Labor, transmitting, in response to the resolution of the 8th instant, certain statistics relative to the annual imports by the United States of sugars, etc. (S. Doc. No. 15), which, with the accompanying papers, was referred to the Committee on Finance and ordered to be printed.

PETITIONS AND MEMORIALS.

The VICE-PRESIDENT presented petitions of sundry citizens of Ohio, Virginia, Pennsylvania, New York, Mississippi, Alabama, Georgia, Wisconsin, Minnesota, Kentucky, Indiana, North Carolina, Illinois, Louisiana, Michigan, Florida, Iowa, and New Jersey praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

Mr. McLAURIN. I present a joint resolution of the legislature of Pennsylvania, relative to the enactment of more stringent immigration laws. I ask that it be printed in the Record and referred to the Committee on Immigration.

There being no objection, the joint resolution was referred to the Committee on Immigration and ordered to be printed in the Record, as follows:

HOUSE OF REPRESENTATIVES,
STATE OF PENNSYLVANIA,
March 22, 1909.

Joint resolution petitioning our Senators and Representatives in Congress to enact more stringent immigration laws.

This is to certify that the following is a true and correct copy of a resolution passed the above date:

Whereas the dumping of a million immigrants into the United States annually is a fact for which the world offers no precedent and is a menace to American institutions, the American home, and the American laborer; and

Whereas there are now many bills before the Congress of the United States for the better regulation of immigration and the revision of the tariff; and

Whereas the regulation of foreign immigration is a necessary supplement to the tariff, an essential element in the protection of America from ruinous competition by cheap labor at home, ruinous in our endeavor to establish an American industrial democracy; and

Whereas a protective tariff without proper immigration regulation is a travesty on the industrial problem: Therefore be it

Resolved by the house of representatives of the State of Pennsylvania, That we respectfully request our Senators and Representatives in Congress to enact more stringent immigration laws to protect our people, both native born and naturalized, against wholesale immigration from foreign lands.

THOMAS H. GARVIN,
Chief Clerk House of Representatives.

Mr. FRYE presented petitions of sundry citizens of Greenville and Strong, in the State of Maine, praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

Mr. BRISTOW presented petitions of sundry citizens of Bartlett and Courtland, in the State of Kansas, praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

Mr. PILES presented petitions of sundry citizens of Seattle, Wash., praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

Mr. CURTIS presented petitions of sundry citizens of Scranton, Kans., praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

Mr. DEPEW presented petitions of sundry citizens of Clayton, Fort Covington, and Poplar Ridge, all in the State of New York, praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

He also presented a petition of Typographical Union No. 55, American Federation of Labor, of Syracuse, N. Y., praying for the retention of the proposed duty on print paper and wood pulp, which was ordered to lie on the table.

He also presented a memorial of sundry business firms of New York City, N. Y., remonstrating against the repeal of the duty on millinery, which was ordered to lie on the table.

Mr. STONE presented a memorial of the German-Austrian Benevolent Society of St. Louis, Mo., remonstrating against the enactment of legislation to prohibit the interstate transportation of intoxicating liquors, which was referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of St. Louis, Mo., and a petition of Typographical Union No. 80, of Kansas City, Mo., praying for a reduction of the duty on wood pulp and print paper, which were ordered to lie on the table.

He also presented petitions of sundry citizens of Missouri, praying for the reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

EMMA W. ADAMS.

Mr. KEAN, from the Committee to Audit and Control the Contingent Expenses of the Senate, to whom was referred Senate resolution No. 33, submitted by Mr. PENROSE on the 19th instant, reported it without amendment, and it was considered by unanimous consent and agreed to, as follows:

Senate resolution 33.

Resolved, That the Secretary of the Senate be, and he is hereby, authorized and directed to pay to Emma W. Adams, widow of Milo R. Adams, late a messenger of the United States Senate, a sum equal to six months' salary at the rate he was receiving by law at the time of his demise, said sum to be considered as including funeral expenses and all other allowances.

BILLS INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. FRYE:

A bill (S. 1941) to increase the efficiency of the Pay Department, United States Army (with the accompanying paper); to the Committee on Military Affairs.

By Mr. GALLINGER:

A bill (S. 1942) for the establishment of a probation and parole system for the District of Columbia; to the Committee on the District of Columbia.

By Mr. BRISTOW:

A bill (S. 1943) granting an increase of pension to Jacob Sands; to the Committee on Pensions.

By Mr. PERKINS:

A bill (S. 1944) for the retirement of employees in the classified civil service; to the Committee on Civil Service and Retirement.

By Mr. BOURNE:

A bill (S. 1945) granting an increase of pension to William J. R. Beach (with the accompanying paper); and

A bill (S. 1946) granting an increase of pension to Joseph E. Gaunyan (with the accompanying papers); to the Committee on Pensions.

By Mr. WARREN:

A bill (S. 1947) granting an increase of pension to Richard Butler (with the accompanying papers); to the Committee on Pensions.

By Mr. CURTIS:

A bill (S. 1948) to provide for the issuance of medals of honor to Jesse F. Snow and other volunteer soldiers of the civil war; to the Committee on Military Affairs.

A bill (S. 1949) granting a pension to Antoinette C. Constant; A bill (S. 1950) granting an increase of pension to Jesse F. Snow; and

A bill (S. 1951) granting an increase of pension to Samuel M. Hill (with the accompanying papers); to the Committee on Pensions.

By Mr. DICK:

A joint resolution (S. J. R. 23) making the 12th day of February a legal holiday; to the Committee on the Library.

TRAVELING EXPENSES OF THE PRESIDENT.

Mr. GUGGENHEIM. I submit an amendment intended to be proposed to the bill (H. R. 8098) making appropriations for expenses of the Thirtieth Decennial Census for the fiscal year 1910, and for other purposes, which I ask to have read and referred to the Committee on Appropriations.

The proposed amendment was read, ordered to be printed, and referred to the Committee on Appropriations as follows:

Amendment intended to be proposed by Mr. GUGGENHEIM to the bill (H. R. 8098) making appropriations for expenses of the Thirtieth Decennial Census for the fiscal year 1910, and for other purposes, viz, insert the following:

Traveling expenses of the President of the United States: There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for or on account of the traveling expenses of the President of the United States, to be expended in his discretion and accounted for on his certificate solely, for the fiscal year ending June 30, 1910, the sum of \$25,000.

REPORT OF ROBERT J. WALKER, IN 1845.

Mr. BACON. I ask that the report of the Secretary of the Treasury, Mr. R. J. Walker, on the state of the finances, and so forth, made to Congress December 3, 1845, be printed as a Senate document (S. Doc. No. 14). I will state the fact that it is extremely difficult to get this document. It is only to be found in some few compilations of executive papers.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Georgia?

Mr. KEAN. What is the request?

The VICE-PRESIDENT. The Senator from Georgia will please restate his request.

Mr. BACON. The request is that the report of the Secretary of the Treasury made to Congress in 1845, the Secretary then being Mr. R. J. Walker, shall now be printed as a Senate document, the reason being that it is exceedingly difficult to get a copy of it.

Mr. KEAN. I believe that at the last session of Congress we had printed the report of Alexander Hamilton, and so on, and I see no objection to printing this report.

Mr. BACON. I will state further that at the last session of Congress, at the request of the Senator from Rhode Island [Mr. ALDRICH], all the reports made upon the various tariff bills were printed, back to the date of the Mills bill, I think, and this report therefore was not included. It is important that it should be printed.

Mr. KEAN. I think some passages of it are good reading.

Mr. BACON. That remark applies not only to some passages, but as to its totality.

There being no objection, the order was reduced to writing and agreed to, as follows:

Ordered, That the report of the Hon. Robert J. Walker, Secretary of the Treasury, on the state of the finances, dated December 3, 1845, Twenty-ninth Congress, be printed as a Senate document (pp. 1 to 20, both included).

CIVIL-SERVICE EMPLOYEES FROM NEW HAMPSHIRE.

Mr. GALLINGER. I submit a resolution and ask for its present consideration.

The resolution (S. Res. 35) was read, as follows:

Senate resolution 35.

Resolved, That the Civil Service Commission is hereby directed to communicate to the Senate, at the earliest practicable day, a list of the names of those now in the service charged to the State of New Hampshire, including the city or town and the county which each clerk or other employee claims as his or her residence; also a statement as to the number to which said State is entitled under the provisions of the civil-service law.

Mr. TILLMAN. I hope the Senator from New Hampshire will permit South Carolina to be included in the resolution, as an amendment.

Mr. GALLINGER. I am always delighted to be associated with the Senator in any good work, but I think the Senator had better introduce a separate resolution for that purpose.

Mr. TILLMAN. Of course, if the Senator from New Hampshire objects to including South Carolina in a good work—and he says this is a good work—I shall not intrude on him.

Mr. GALLINGER. I think the Senator had better introduce a separate resolution.

The VICE-PRESIDENT. Is there objection to the present consideration of the resolution submitted by the Senator from New Hampshire?

Mr. SMITH of Michigan. I should like to ask that the resolution be read again.

The VICE-PRESIDENT. Without objection, the Secretary will again read the resolution.

Mr. GALLINGER. Before it is read, I desire to modify it so as to insert "and the date of his or her appointment."

Mr. WARREN. May I ask the Senator from New Hampshire if we have anything in print now that purports to give the names and residences of the employees from all the States?

Mr. GALLINGER. Not that I am aware of, so far as the classified service is concerned.

Mr. WARREN. There is no general publication?

Mr. GALLINGER. None, so far as the classified service is concerned, I think.

The VICE-PRESIDENT. The Secretary will read the resolution as modified.

The Secretary read the resolution as modified, as follows:

Resolved, That the Civil Service Commission is hereby directed to communicate to the Senate, at the earliest practicable day, a list of the names of those now in the service charged to the State of New Hampshire, including the city or town and the county which each clerk or other employee claims as his or her residence, and the date of his or her appointment; also a statement as to the number to which said State is entitled under the provisions of the civil-service law.

The VICE-PRESIDENT. Is there objection to the present consideration of the resolution?

The resolution was considered by unanimous consent, and agreed to.

PROPOSED INCOME TAX.

Mr. CUMMINS. Mr. President, I desire to present an amendment to the pending tariff bill, and after it has been stated, I ask the indulgence of the Senate for a few moments in respect to it.

The VICE-PRESIDENT. The Secretary will state the proposed amendment.

The SECRETARY. An amendment providing for fixing duties on certain incomes.

The VICE-PRESIDENT. The amendment will be printed. Does the Senator prefer to have it referred to the committee, or to lie on the table?

Mr. CUMMINS. Let it lie on the table.

The VICE-PRESIDENT. The amendment will lie on the table.

Mr. LA FOLLETTE. I should like the Senator from Iowa to request, or if I may properly do so I request, that the proposed amendment be printed in the Record.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Wisconsin that the amendment be printed in the Record?

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment intended to be proposed by Mr. CUMMINS to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, viz: Insert the following:

SEC. —. That for the calendar year 1909, and for each calendar year thereafter, duties shall be assessed, levied, collected, and paid upon the incomes herein specified received in such calendar year by every citizen of the United States, whether residing at home or abroad, and by every other person as to an income received from any property, business, trade, occupation, profession, or employment, situated or carried on within the United States. The dutiable incomes shall be those in excess of \$5,000, and from every such dutiable income the sum of \$5,000 shall be deducted in order to ascertain the amount upon which the duty shall be assessed, levied, and collected. The rate of duty upon dutiable incomes shall be as follows, to wit: Upon incomes not exceeding \$10,000, 2 per cent; upon incomes not exceeding \$20,000, 2½ per cent; upon incomes not exceeding \$40,000, 3 per cent; upon incomes not exceeding \$60,000, 3½ per cent; upon incomes not exceeding \$80,000, 4 per cent; upon incomes not exceeding \$100,000, 5 per cent; upon all incomes exceeding \$100,000, 6 per cent.

SEC. —. That the incomes upon which the duties hereinbefore specified are to be assessed and levied shall be incomes received during the calendar year and derived as follows, to wit:

First. Salaries, wages, or compensation for personal labor or service of whatever kind and in whatever form paid or received: *Provided*, That there shall be excluded the compensation of the existing President of the United States during the term for which he has been elected, and of the judges of the supreme and inferior courts of the United States now in office; and there shall be also excluded the salaries and compensation of all officers and employees of a State or any political subdivision thereof.

Second. Earnings in any profession, after deducting the expense actually incurred in conducting such profession.

Third. The gains or profits of any trade, vocation, or business.

Fourth. The gains or profits of all sales or dealings in property, whether real or personal, provided that the gains and profits from sales of real estate purchased more than two years prior to the close of the year for which the income is being ascertained shall not be included.

Fifth. Any other gains or profits growing out of the ownership of or interest in real or personal property, or the transaction of any lawful business carried on for gain or profit.

Sixth. The amount received as dividends upon corporate stocks, together with the proportionate share of the undivided profits of corporations issuing such stocks, the amount received as interest upon bonds, obligations, or other evidences of indebtedness: *Provided*, That interest upon the bonds or other obligations of a State or any political subdivision thereof, and interest upon the bonds or obligations of the United States, exempt by their terms from taxation, shall not be included.

SEC. —. That incomes or parts of incomes derived from any business, trade, vocation, or profession carried on wholly within a foreign country, or derived from property situated in a foreign country, shall not be included in the return hereinafter required.

SEC. —. That it shall be the duty of every person of lawful age having an income of more than \$5,000, computed upon the basis herein prescribed, for the year 1909 and for each year thereafter, to make and render a return on or before the first Monday of March, 1910, and on or before the first Monday of March of each year thereafter, in such form and manner as may be directed by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury, to the collector or deputy collector of the district in which he or she resides, of the amount of his or her income computed as aforesaid; and every guardian, trustee, executor, administrator, agent, receiver, and every person or corporation acting in any fiduciary capacity shall make and render a return, as aforesaid, to the collector or deputy collector of the district in which such person or corporation acting in a fiduciary capacity resides or does business, of the amount of the income of any minor or person for whom they act whose income exceeds \$5,000. The collector or deputy collector shall require every return to be verified by the oath or affirmation of the person rendering it, if it be an individual, or the proper officer or officers of a corporation, if it be a corporation. If the said collector or deputy collector has reason to believe that any return understates the income therein reported, he may increase the amount subject to the appeal hereinafter provided; and in case any such person having a dutiable income shall neglect or refuse to make and render such return, or shall render a willfully false or fraudulent return, it shall be the duty of such collector or deputy collector to make or correct such return from the best information he can obtain, either by the examination of such person or by any other evidence, and to add 50 per cent as a penalty to the amount of the duty in all cases of willful neglect or refusal to make or render a return, and in all cases of a willfully false or fraudulent return to add 100 per cent as a penalty to the amount of the duty ascertained to be due; the duty and the additions thereto as a penalty to be assessed and collected in the manner provided for in other cases of willful neglect or refusal to render a return or of rendering a false and fraudulent return. Any person aggrieved by the decision of the deputy collector in either of the cases above mentioned may appeal to the collector of the district, and his decision thereon, unless reversed by the Commissioner of Internal Revenue, shall be final. If dissatisfied with the decision of the collector, originally or on appeal, such person may submit the case with all papers to the Commissioner of Internal Revenue for his decision and may furnish the testimony of witnesses to prove any relevant facts, having served notice to that effect upon the Commissioner of Internal Revenue as herein prescribed. Such notice shall state the time and place at which and the officer before whom the testimony will be taken, the name, age, residence, and business of the proposed witnesses, with the questions to be propounded to each witness and a brief statement of the substance of the testimony he is expected to give: *Provided*, That the Government may at the same time and place take testimony upon like notice to rebut the testimony of the witnesses examined by the person against whom the collector rendered decision. The notice shall be delivered or mailed to the Commissioner of Internal Revenue a sufficient number of days previous to the day fixed for taking the testimony to allow him after its receipt at least five days, exclusive of the period required for mail communication with the place at which the testimony is to be taken, in which to give, should he so desire, instructions as to the cross-examination of the proposed witness or witnesses. Whenever practicable the affidavit or deposition of a collector or deputy collector of internal revenue shall be taken, in which case reasonable notice shall be given to the collector or deputy collector of the time fixed for taking the deposition or affidavit. No penalty shall be assessed upon any person for such neglect or refusal or for making or rendering a willfully false or fraudulent return except after reasonable notice of the time and place of hearing to be prescribed by the Commissioner of Internal Revenue, so as to give the person charged an opportunity to be heard.

SEC. —. That the duties on incomes hereby imposed shall be due and payable on the 1st day of July, 1910, for the year 1909, and on the 1st day of July of each succeeding year for the duties assessed and levied upon the incomes of the preceding year, and if the duty on any income remains unpaid after the 1st day of July as aforesaid and after ten days' notice and demand thereof and therefor by the collector, there shall be collected as a penalty for such nonpayment the sum of 5 per cent on the amount of duty unpaid, and also interest at the rate of 1 per cent per month upon said duty from the time it becomes due. The Commissioner of Internal Revenue is authorized to relieve the estates of deceased, insane, or insolvent persons from the aforesaid penalty if the failure to pay at maturity was without fault of the person or persons in charge of said estates.

SEC. —. That if at any time after the duty upon any income is paid, or, becoming due, is unpaid, the Commissioner of Internal Revenue ascertains that the person returning the said income for duty knowingly made a false return respecting the same, the amount of dutiable income so concealed shall be assessed for the year in which the discovery is made and there shall be collected for and on account of any such concealed income double the duty prescribed in this act.

SEC. —. That at any time after September 1 in each year the internal-revenue collector in any district shall proceed to enforce by distraint upon any property belonging to any person upon whose income a duty has been assessed and levied and which duty or any part thereof remains unpaid, and all the property of any such person wherever situated subject to execution shall be liable to distraint for the collection of the unpaid duty.

Sec. — That it shall be unlawful for any collector, deputy collector, agent, clerk, or other officer or employee of the United States to divulge or make known in any manner whatever not provided by law to any person any information obtained by him in the administration hereof concerning the amount or source of income, profits, losses, expenditures, or any particular thereof set forth or disclosed in any income return by any person or corporation, or permit any income return or copy thereof or any book containing any abstract or parts thereof to be seen or examined by any person except as provided by law; and it shall be unlawful for any person to print or publish in any manner whatever not provided by law any income return or any part thereof or the amount or sources of income, profits, losses, or expenditures appearing in any income return. Any offense against the foregoing provisions shall be a misdemeanor and punished by a fine not exceeding \$1,000, or by imprisonment for a period not exceeding one year, or both, at the discretion of the court; and if the offender be an officer or employee of the United States, he shall be dismissed from office and be incapable thereafter of holding any office under the Government.

Sec. — That every internal-revenue collector shall, from time to time, cause his deputies to proceed through every part of his district and to inquire after and concerning all persons therein who may be in receipt of dutiable incomes hereunder, and concerning all persons or corporations having the care and management of property which may produce such income, and to make a list of such persons or corporations and to enumerate said properties.

Sec. — That only one deduction of \$5,000 shall be made from the aggregate income of all the members of any family composed of one or both parents and one or more minor children or husband and wife. No penalty shall be assessed upon any person, corporation, or association for a neglect or refusal to make return or for making or rendering a willfully false or fraudulent return, except after reasonable notice of the time and place of hearing, to be prescribed by the Commissioner of Internal Revenue, so as to give the person charged with such neglect or refusal, or charged with such false or fraudulent return, an opportunity to be heard.

Sec. — That in the event that any person with a dutiable income fails to make the return prescribed in section — hereof to the collector or deputy collector, and the person shall be absent from his or her residence or place of business at the time the collector or deputy collector shall call for such annual return, it shall be the duty of such collector or deputy collector to leave at such place of residence or business with some one of suitable age and discretion, if there be such person present, otherwise to deposit in the nearest post-office, a note or memorandum addressed to such person requiring him or her to render to such collector or deputy collector the return required by law within ten days from the date of such note or memorandum, verified by oath or affirmation. And if any person, on being notified or required as aforesaid, shall refuse or neglect to make such return within the time required as aforesaid, or delivers any return which, in the opinion of the collector, is false or fraudulent or contains any undervaluation or understatement, it shall be lawful for the collector to summon such person or any other person having possession, custody, or care of books of account containing entries relating to the business of such person or any other person he may deem proper, to appear before him and produce such books at a time and place named in the summons, and to give testimony or answer interrogatories under oath respecting any subjects which will tend to disclose the true income. The collector may summon any person residing or found within the State in which the district lies; and when the person intended to be summoned does not reside and can not be found within such State, he may enter any collection district where such person may be found and there make the examination herein authorized. And to that end he may there exercise all the authority which he might lawfully exercise in the district for which he is commissioned. This procedure shall apply to all cases of failure to make return and to all cases in which the collector shall be of opinion that the return is incorrect, false, or fraudulent.

Sec. — That when any person, corporation, or association refuses or neglects to render any return required by law, or renders a false or fraudulent return, the collector or any deputy collector shall make, according to the best information which he can obtain, including that derived from the evidence elicited by the examination of the collector and on his own view and information, such knowledge as he can obtain, a return according to the form prescribed of the income derived by any person under the care or management of such person, corporation, or association, and the return so made and subscribed by such collector or deputy collector shall be held prima facie good and sufficient for all the above purposes.

Sec. — That every corporation or association organized under the law of the United States or of any State or Territory doing business for profit shall make and render to the collector of the district in which its principal office is situated, on or before the first Monday of March in every year, beginning with the year 1910, a full return verified by oath or affirmation, in such form as the Commissioner of Internal Revenue may prescribe, of all the following matters for the whole calendar year last preceding the date of such return—

First. The gross profits of such corporation or association from all kinds of business of every name and nature.

Second. The expenses of such corporation or association exclusive of interest, annuities, and dividends.

Third. The net profits of such corporation or association without allowance for interest, annuities, and dividends.

Fourth. The amount paid on account of interest, annuities, and dividends, with a list showing the names and post-office addresses of the persons to whom any such interest, annuities, and dividends were paid, stating the amount paid to each of such persons separately.

Fifth. The amount paid in salaries of \$5,000 or more to each person employed, giving the amount of the salary paid to each person and his name and post-office address.

Sixth. If the net profits mentioned in the third paragraph of this section were not wholly divided, then to state the amount which would have been paid to each person if the said profits had been wholly divided, giving the name of each such person and the amount of his distributed share and his post-office address.

Sec. — That it shall be the duty of every such corporation or association doing business for profit to keep full, regular, and accurate books of account, upon which its transactions shall be entered from day to day in regular order, and whenever a collector or deputy collector in the district in which any such corporation or association has its principal office shall believe that a true and correct return as hereinbefore provided has not been made, he shall make an affidavit of such belief, and of the grounds on which it is founded, and file the same with the Commissioner of Internal Revenue, and if said commissioner shall, on examination thereof and upon full hearing of notice given to all parties,

conclude that there is a ground for such belief, he shall issue a request in writing to such corporation or association to permit an inspection of the books of such corporation or association to be made, and if such corporation or association shall refuse to comply with such request, then the Commissioner of Internal Revenue shall take such action as will enforce the duty herein imposed upon such corporation or association.

Mr. CUMMINS. Mr. President, this amendment proposes duties upon certain incomes. I intend at a later time in the consideration of the pending bill to address the Senate with respect to the wisdom and the justice, the history, and the validity of income duties. Until very recently it was not my purpose to accompany the amendment with any observations whatever; but in view of the statement with respect to the expenditures and the revenues of the Government made by the Senator from Rhode Island [Mr. ALDRICH] on Monday morning, and in view of the comments of certain newspapers with respect to the motives of the Republican Senators who favor raising a portion of our revenue by a duty on incomes, I have been tempted to depart from my original intent and to enter at this moment upon a very brief discussion of the subject.

First, with regard to the amendment itself. It differs in two important particulars from the amendment offered by the Senator from Texas [Mr. BAILEY]. The first essential difference is that the duty laid upon incomes is a graduated duty instead of a flat duty. According to the terms of this amendment the duty begins with incomes not exceeding \$10,000, those under \$5,000 being exempt, attaches to such incomes a duty of 2 per cent, and finally reaches incomes of \$100,000 or more, upon which there is imposed a duty of 6 per cent.

In this connection I may be permitted to state as a mere conjecture and opinion that this amendment, if it became a part of the law, would raise substantially \$40,000,000, a greatly less sum than would be raised, according to the estimate of the Senator from Texas, upon the amendment presented by him.

The second important particular in which this amendment differs from the amendment already before the Senate is that it is confined to individual incomes; that is to say, the duty is not imposed upon corporate incomes. The reasons that moved me in preparing the amendment in this wise are that the policy of an income law, the policy indeed in almost every kind of law, is to exempt those who are least able to bear the burden from the burden. An income duty imposed upon the aggregate income of a corporation rests with equal weight upon those persons who derive some income from a corporation and yet have an aggregate income below the minimum fixed by the statute and those large incomes upon which it is the policy of the Government to attach a duty.

Further than that, I regard a graduated income duty as impossible if levied upon the incomes of corporations. The reason is obvious. This amendment, for instance, imposes a duty of 2 per cent in the case of an income not exceeding \$10,000 upon that part of such income exceeding \$5,000. It imposes a duty of 6 per cent upon all incomes in excess of \$100,000.

I will take the instance which is in every mind the very moment a corporation is mentioned, namely, the United States Steel Corporation. It had last year, according to its report, an income, not deducting the rewards upon its capital, of \$91,000,000. Under any logical or scientific system of graduated tax this income would bear the highest rate, and yet, as we know, there are twenty-five or thirty million dollars of the stock of the United States Steel Corporation held by employees of the corporation whose incomes will average less than \$1,200 per year. Therefore, if a graduated tax be accepted and the duty is imposed upon the aggregate income of corporations, the stockholders whose incomes are below the minimum fixed by the amendment would bear the highest rate of duty attached to the largest income. In my opinion, such a result would not only be unjust, but it would destroy the essential and fundamental principle that underlies an income duty.

There is another reason of a legal character which led me to attach these duties to individual incomes only. The very moment that you include a corporation within the scope of an income tax, that moment you must begin a classification of corporations. The law of 1894 excluded from its operation a great number of corporations, and properly excluded them. But this classification had a tendency, in the opinion of the Supreme Court, both of its majority members and its minority members, to destroy the uniformity which the Constitution requires shall inhere in an indirect tax.

I do not suggest, Mr. President, that the amendment I have presented removes all the objections found to such a law in the decision of the Supreme Court in the Pollock case. I recognize that it challenges that opinion in one particular, but I believe that it removes all the points of collision save one. That is this: Is a tax levied upon an income derived from an investment in either real or personal property a direct tax? That

question is one so broad and fundamental, that, in my opinion, it is utterly impossible to frame any income-tax law that will not run counter to the opinion expressed by a majority of the members of the Supreme Court. If that opinion is to stand in its full scope and with its full vigor, then the United States must abandon for all time, or until the Constitution be amended, the exercise of a power and authority which had been recognized for a hundred years before the opinion was announced.

Therefore, in these two particulars, or, broadly speaking, in this one particular, the amendment I have presented challenges the opinion of the Supreme Court in just the same manner that the amendment offered by the Senator from Texas does.

Mr. BURKETT. Mr. President—

The VICE-PRESIDENT. Will the Senator from Iowa yield to the Senator from Nebraska?

Mr. CUMMINS. With pleasure.

Mr. BURKETT. It seems to me that there is another challenge which it must make. If I understand it aright, this income tax is either a direct tax or it is an indirect tax. A direct tax must be apportioned. If it is an indirect tax, it must be uniform.

Of course, I have not read the Senator's amendment to the bill, for it has not yet been printed, but I take it, from what he says, it is not attempted to make an apportionment. It seems to me that it also must attack the other proposition of uniformity, which was one of the questions, if I remember correctly, that was raised in the Pollock case. I have not read that opinion for some years, but if I remember aright, the question was raised in the Pollock case whether there might be a different rate of tax upon different incomes or the tax on some incomes eliminated; for example, a limitation of \$4,000, as there was, if I remember correctly, in the act of 1894.

If the Senator has not conformed to the requirement of a direct tax and an apportionment, would not his amendment also run counter to the decision in the Pollock case in not conforming to the other requirement—that of uniformity in the case of an indirect tax?

Mr. CUMMINS. Mr. President, as I suggested in the beginning, it has been my purpose at a later time to consider this question from the constitutional standpoint. But in answer to the inquiry of the Senator from Nebraska, I beg to say that in the Pollock case the question of uniformity related to the classification of corporations, not to the graduation of the tax, for the reason that there was no graduation of duties under the law of 1894. It is quite true that in both the majority opinion and the minority opinion in the Pollock case there was some criticism with respect to the exemption of incomes below \$4,000. That criticism, however, did not lead, as I remember, any judge uttering it into the opinion that therefore the law was unconstitutional.

Mr. President, I believe it to be the bounden duty of Congress at this time to again invoke the deliberate reexamination of this question by the Supreme Court. The decision in the case to which I have referred is so serious an invasion upon federal power and it so vitally restricts federal authority that we ought not to permit a single moment longer than necessary to pass without again asking for an examination of this power upon the part of the Government of the United States.

It is true that we are not in the midst of war; but there is no Senator so keen in his prophecies as to attempt to declare the moment in which we may become involved in war, and then, at least, there will be the same imperative necessity for invoking this authority that there was in 1861.

Do not misunderstand me. I am not contending that we ought to enter upon this experiment as a mere experiment. If we do not need the revenue that would be produced by an income tax, then I agree that it would be the height of folly to collect money in any manner whatsoever not needed for the reasonable expenditures of the Government. But if we do need this revenue, or if this revenue can be substituted for another still more burdensome, then there never was a moment in which it became more imperatively the duty of the American Congress to set in motion this power than at the present time.

So much, Mr. President, with regard to the amendment that I have presented.

Mr. RAYNER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Maryland?

Mr. CUMMINS. I do.

Mr. RAYNER. Without committing myself in any way to any of these propositions of an income tax, for or against, I respectfully call the attention of the Senator from Iowa to the proposition that the suggestion of the Senator from Nebraska [Mr. BURKETT] has been completely answered in the case of *Knowlton v. Moore* (178 U. S.), in which the Supreme Court

held that "uniformity" meant geographical uniformity and not individual uniformity.

I think the Senator from Iowa even goes too far when he says that there could not be a classification of corporations. There could undoubtedly be a classification of corporations if the taxes operate uniformly throughout the United States. In this case the proposition was discussed, and the Supreme Court said:

The two contentions, then, may be summarized by saying that the one asserts that the Constitution prohibits the levy of any duty, impost, or excise which is not intrinsically equal and uniform in its operation upon individuals, and the other that the power of Congress in levying the taxes in question is by the terms of the Constitution restrained only by the requirement that such taxes be geographically uniform.

Thus it is apparent that the expression "uniform throughout the United States" was at that time considered as purely geographical, as being synonymous with the expression "general operation throughout the United States," and that no thought of restricting Congress to intrinsic uniformity obtained, since the powers recommended were absolutely in conflict with such theory.

Mr. CUMMINS. I agree with the Senator from Maryland perfectly. The difficulty about classification to which I referred was not that the Constitution inhibited the classification of corporations, but that the classification must not be arbitrary; it must be founded upon some reason, and it is exceedingly difficult to classify the corporations of the United States.

However, the chief reason which leads me to present an amendment levying duties upon individual incomes alone is the inequality and the injustice which must necessarily result to the smaller stockholders, the men whose incomes derived from that source and from others do not reach the point fixed by the law for duties.

Mr. President, I shall recur to some phase of this subject at a later time; but I am now prompted to call to the attention of the Senate some comments that I have read within the last two or three days with regard to the income-tax measure, especially relating to the motives of those Republican Senators who believe that a substantial part of the burdens of our country should be borne through a revenue raised in this manner. It is said that it is a Democratic proposition, a Democratic doctrine. If it were, Mr. President, that would not deter me from accepting it, if it commended itself to my conscience and my judgment. We are long past that era in the world's affairs when men repeat that old inquiry, "Can any good thing come out of Nazareth?" I am willing to accept a wholesome, sound, and just principle, no matter what its origin may be.

But, Mr. President, it is not a Democratic doctrine; it is not a Democratic principle in any other sense than that the Democratic party shares with all other political organizations a belief in the fundamental principles of society. The last campaign, from the Republican standpoint, was full of pledges of fidelity and loyalty to an income-tax law; and, more than that, it will not be forgotten that the most successful and the most effective income-tax law ever passed by Congress or administered by an Executive was an income-tax law passed by a Republican Congress and administered by a Republican Executive.

The only difference between those conditions and the ones which surround us is that, in 1861, we levied an income tax to meet the demands of the Government in the most critical moment of its existence—in the time of war. But the demands of peace may be just as imperative as the demands of war. If it was constitutional in 1861 to levy an income tax to support the Government of the United States, it is constitutional in 1909 to levy an income tax to support the Government of the United States. War may make a great difference with respect to the extent of the revenue required; but granting that in a time of peace we need the revenue, it is just as constitutional now, it is precisely as just now, as it was in 1861.

I congratulate the Senate and the country upon the happy and fortunate fact that we can consider this subject without tinge of partisan bias, without tinge of partisan color. I congratulate you and your constituents upon the fortunate conditions that enable us to debate and to decide this question without any regard whatsoever to any party and without any obligation save that which we owe to a common country.

Mr. RAYNER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Maryland?

Mr. CUMMINS. Certainly.

Mr. RAYNER. We have not had an opportunity of reading the Senator's amendment. I ask the Senator the question: Does the amendment exempt all corporations in the United States from the payment of an income tax?

Mr. CUMMINS. It levies an income tax solely upon the incomes of individuals.

Mr. RAYNER. Then you have an amendment providing for an income tax which practically exempts every corporation in the United States from paying an income tax? That is the point.

Mr. CUMMINS. Just exactly as the law of 1894 did. The law of 1894 provided that the income derived by the individual from a corporation that had paid an income tax should be deducted from his individual income, and this amendment reaches precisely the same result in, I think, a much more satisfactory and equitable way.

Mr. RAYNER. This amendment, in my judgment, does not at all reach the same practical result. What I want to get at is this: Under the law of 1894, corporations paid taxes on their incomes, while under the Senator's amendment no corporation in the United States would pay a dollar to the Government of the United States except in a roundabout way in which the Senator figures it out that it comes out of the pockets of individuals who get dividends from corporations.

Mr. CUMMINS. The Senator from Maryland is too good a lawyer and is too intelligent a man, I am sure, to put a misconstruction upon this amendment. I ask him again to recur to the point. The steel corporation—

Mr. RAYNER. What I want to ask the Senator is this: When you are imposing an income tax—I am not arguing the income tax at all—why not put the income tax on corporations and exempt whatever corporations you think are proper from the operation of the income tax, provided it is a geographically uniform tax? Why not put a tax on corporations? Why do you exclude corporations from the tax? We have not read the amendment; and I should like to hear some reason for such a provision.

Mr. CUMMINS. I will answer the Senator with pleasure.

Mr. RAYNER. We are after the corporations also, and I thought you were, too.

Mr. CUMMINS. I am after justice; I am not after the corporations.

Mr. RAYNER. No; I am after equal justice, but you are letting the corporations out.

Mr. CUMMINS. I favor an amendment which will accomplish justice throughout the United States. I answer the Senator from Maryland further in this way: The amendment which I have offered provides that the tax shall be levied upon all the dividends received from corporations. It is to be levied not only upon all the dividends received from corporations, but it is to be levied upon all undivided surplus or undivided profits of corporations. In that way it reaches every penny that is accumulated by a corporation in the way of net income.

Now, mark you, the reason that I prefer to reach the individual directly rather than the corporation is the one I have so repeatedly expressed. If you tax the corporation alone, or if you tax the corporation upon its entire net income, suppose that I were receiving from that corporation and from other sources an income of \$100,000—a most impossible hypothesis, but I nevertheless assume it for the moment—and the Senator from Maryland was receiving an income from all sources, partially from the dividends of corporations, of \$5,000—

Mr. RAYNER. That is impossible.

Mr. CUMMINS. Which is no impossible hypothesis—

Mr. RAYNER. It is impossible to myself in the same sense that it is as to the Senator.

Mr. CUMMINS. But do you not see the immediate injustice of it? The Senator would pay an income tax of 6 per cent on the income that he received from that corporation, although his entire income was less than the taxable amount, and I would be taxed also 6 per cent, being in the enjoyment of an income taxed at the highest rate. I am sure that if you once indorse a graduated income tax you must agree that it should be levied in the way that I have suggested, because in the end, I repeat, the income tax reaches the earnings of every corporation in the land and at the same time it does absolute justice among individuals.

Mr. SMITH of Michigan. Mr. President—

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Michigan?

Mr. CUMMINS. With pleasure.

Mr. SMITH of Michigan. I should like to ask the Senator from Iowa just how he proposes to reach this net income—whether in the form of surplus or undivided profits, where the advantage to the stockholder is in the book value of his stock, or in a suspense account that may not even take the form of surplus? Does the Senator propose to reach that value by some inquisitorial means?

Mr. CUMMINS. Mr. President, it will be necessary for the Senator from Michigan to define what he means by the word "inquisitorial." In a sense every taxing process is inquisitorial.

Mr. SMITH of Michigan. I use it in that way, and not as a criticism.

Mr. CUMMINS. And this amendment is not relieved of that character. But I will answer the Senator from Michigan, anticipating somewhat a full discussion of this measure. This amendment provides that the individual having an income of more than \$5,000 shall make a report just as the law of 1894 and just as the law of 1861 provided.

Mr. SMITH of Michigan. That is, the individual citizen?

Mr. CUMMINS. Just wait a moment. Precisely; the individual citizen. It provides that every corporation shall make a report showing its gross income and its net income, showing the amounts that it has paid in the way of interest, in the way of dividends, showing what the amount of the undivided profits of the year are, and also showing the distributive share of each stockholder in the undivided profits, and that is added to the income of the individual precisely as the income that he has actually received in money.

Mr. SMITH of Michigan. Then, Mr. President, the proposition is to assess this income in the hands of the individual stockholder?

Mr. CUMMINS. It is, whether he is a stockholder or not—the individual.

Mr. SMITH of Michigan. In the hands of the individual stockholder. Then if you propose to do it in that way, how are you going to reach the individual stockholder who is not a resident of the country, who lives abroad, and over whose person you have no jurisdiction whatever?

Mr. CUMMINS. We shall reach that individual in precisely the same way he has always been reached; by just the same process as was employed in 1861, and just the same process as was employed in 1894.

Mr. SMITH of Michigan. Will the Senator from Iowa point that out?

Mr. CUMMINS. I pointed it out just a moment ago. We reach it by providing that a corporation must return all its earnings, its gross income, its net income, the names of its stockholders, and those persons, in so far as it knows them, to whom it pays dividends. If those persons be citizens of the United States residing abroad, their income is thus ascertained, just as it was in 1894. If they be aliens and residing in their own countries, then their incomes are reached precisely as under the law of 1894. There is no difference.

Mr. SMITH of Michigan. Mr. President—

The VICE-PRESIDENT. Does the Senator from Iowa yield further to the Senator from Michigan?

Mr. CUMMINS. I do.

Mr. SMITH of Michigan. The foreigner, then, is to be reached by some process under our law. He may also be reached by some process of similar nature in the country in which he resides. Is that the situation that we find him in?

Mr. CUMMINS. I do not know what situation the Senator from Michigan would find him in. I am reaching the property precisely as it was sought to be reached in 1894. We might not be able to find the property of those nonresident aliens upon which to levy a distress warrant.

Mr. SMITH of Michigan. Mr. President—

The VICE-PRESIDENT. Does the Senator from Iowa yield further?

Mr. CUMMINS. I do.

Mr. SMITH of Michigan. Then, if you did not find his property, he would escape paying his proportion, notwithstanding his participation in American dividends.

Mr. CUMMINS. Oh, no.

Mr. SMITH of Michigan. For instance—if I do not interrupt the Senator against his wish—

Mr. CUMMINS. Not at all. Although I had not intended at this time to enter upon any such detailed discussion of this measure, I am willing to answer any inquiry.

Mr. SMITH of Michigan. The Senator's remarks are very interesting; but I think it is a well-known fact that much stock in American corporations is held abroad; that there are many stockholders and bondholders in American enterprises who live abroad subject to the jurisdiction and laws of their own countries. Now, it is just a little beyond my ability to comprehend how the Senator is going to reach that class of stockholders unless he puts his tax upon the corporation itself.

Mr. CUMMINS. Mr. President, I will delay making a full answer to that question until the Senator from Michigan has had an opportunity to read the amendment. He will find, however, that there is just as effective a way of reaching the income of the individual whom he has in mind as there was in the law of 1861 or the law of 1894.

Mr. SMITH of Michigan. Mr. President—

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Michigan?

Mr. CUMMINS. Certainly.

Mr. SMITH of Michigan. I sincerely hope that that is so.

Mr. CUMMINS. If that is not so, the Senator from Michigan can amend the amendment.

Mr. SMITH of Michigan. No. I sincerely hope that the scope of the Senator's amendment is such that its operation and effect will not be to make it convenient or desirable for dummy holders in American corporations to have their residence abroad. If we are to have an income-tax law, it should be uniform, and it should apply to all people alike, whether natural or artificial, and in proportion to their incomes.

But I do not hesitate one moment to say that there is a large part of the stock and securities of prosperous American corporations held abroad in the leading financial centers of the world. I do not understand why these corporations should be relieved of this additional burden or the exactions by the Government, unless it is as a favor to them and not as a right.

Mr. CUMMINS. Mr. President, with the general sentiment expressed by the Senator from Michigan I am in entire accord, and I think that he does not mean to be understood as accusing me of any desire to favor corporations.

Mr. SMITH of Michigan. No.

Mr. CUMMINS. There is a history behind every man which either approves or condemns his course in any such respect as that; and I have a history which, I think, relieves me of any such imputation.

Mr. SMITH of Michigan. Mr. President—

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Michigan?

Mr. CUMMINS. I do.

Mr. SMITH of Michigan. With that history I am very familiar. I am well aware of the consistent record of the Senator from Iowa in his desire to have all property, whether corporate or personal, bear its just proportion of the expenses of the Government. I have no criticism to make upon him; in fact, I have nothing but praise for him, and I am listening to what he has to say with a great deal of interest. I regret very much that he seems by force of circumstances to be obliged to speak so briefly this morning, for I had hoped to hear him more at length, and shall examine his amendment with a great deal of care. My respect for the Senator from Iowa is such that I acquit him promptly of any desire to furnish immunity to corporations.

Mr. CUMMINS. Mr. President, I did not believe for a moment that the Senator from Michigan entertained a thought of that character. I said what I did only to prevent the possibility of misapprehension on the part of others. In this amendment I have used all the ingenuity I possess to reach the very persons to whom he has referred. If I have failed in that respect, I can not doubt that before the discussion has gone far in a tribunal of this character that defect will be remedied.

Mr. SUTHERLAND. Mr. President—

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. Certainly.

Mr. SUTHERLAND. If I will not disturb the Senator from Iowa, I should like to ask him a question for my own information. I did not have the opportunity of hearing the amendment read.

Mr. CUMMINS. It has not been read.

Mr. SUTHERLAND. But if I understand what the Senator has said, his amendment proposes to tax the incomes of individuals only; it makes an exemption of incomes under \$5,000, and entirely relieves the incomes of corporations from the tax, provided it has been paid in the shape of dividends. Am I correct about that, I will ask the Senator?

Mr. CUMMINS. The Senator is correct.

Mr. SUTHERLAND. Let me ask the Senator this question: Suppose we have a corporation which distributes dividends amounting to \$100,000. It has 50 shareholders, and we will assume that each shareholder has an equal amount of stock, so that each shareholder would receive \$2,000 in dividends. Under the Senator's proposed amendment none of those shareholders would pay any tax at all, as I understand.

Mr. CUMMINS. I have not so said.

Mr. SUTHERLAND. Well, then, the Senator did not—

Mr. CUMMINS. If the Senator will permit me, I will correct him just at that point.

Mr. SUTHERLAND. I will be glad to have the Senator do so.

Mr. CUMMINS. In the case that he has imagined, if the \$2,000 received as dividends on stock in the corporation constitutes the only income received by the shareholders, then that income would be exempt. If, on the other hand, the income from other sources raises the income of the individual to \$5,000 or more, then this tax would fall upon him.

Mr. SUTHERLAND. Mr. President, I did not misunderstand the amendment, only I did not put my supposition quite far

enough. We will suppose, then, that the 50 shareholders receive an equal amount of the dividend, \$2,000 each, and that no one of them has an income from any other source, so that the \$2,000 represents the entire income. In that case not one of those shareholders would pay a cent of tax. That is correct, is it not?

Mr. CUMMINS. That is true.

Mr. SUTHERLAND. And, notwithstanding the fact that the corporation had an income of \$100,000, the corporation would pay no tax?

Mr. CUMMINS. That is true—no income tax.

Mr. SUTHERLAND. So that there is an income of \$100,000 of the corporation upon which no tax at all is paid? Is that the result?

Mr. CUMMINS. That would be the result in the particular instance the Senator has given. But, Mr. President, I am not to be terrified by any such result. I do not believe that an individual with an income of \$2,000 derived from a corporation should be taxed any more than an individual receiving \$2,000 by way of a salary. I am attempting to reach the aggregate, the ultimate, the final result. The corporation is simply the instrumentality for the enrichment of its stockholders, and if that instrumentality results in conferring upon its stockholders an income above the minimum fixed by the amendment, then it should be taxed; but if that income is below the minimum, there is no more reason for imposing a tax upon it than there would be if it were derived as a salary or as profit in a real-estate transaction or as the profits of a farm.

Mr. RAYNER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Maryland?

Mr. CUMMINS. Certainly.

Mr. RAYNER. We have not had an opportunity to look at the Senator's amendment. I should like to give the Senator a concrete, but at the same time a supposititious, case. Let us take the case, for instance, of Mr. Carnegie. That merely exemplifies hundreds of cases, because there are hundreds of people living abroad who draw their income and dividends from domestic corporations. There is no doubt about that. Now, suppose that Mr. Carnegie to-day was getting an income of \$500,000 a year in the way of dividends from the Bethlehem Steel Company. The Senator's amendment does not touch the steel company, and there is no way on the face of the earth to collect an income tax from him unless he has property in the United States that you can distrain on.

Mr. CUMMINS. The Senator has not read the amendment.

Mr. RAYNER. You can not make an amendment to cover that case.

Mr. CUMMINS. Very well.

Mr. RAYNER. If the man has no property, how will you collect an income tax if he lives abroad?

Mr. CUMMINS. It is evident the Senator does not desire to ask me a question, and I will yield at the proper time to any argument that he may desire to make.

Mr. RAYNER. I ask the Senator how he would get that tax?

Mr. CUMMINS. The Senator says it can not be done.

Mr. RAYNER. If I may be permitted to ask a question, How does the Senator propose to collect an income tax in such a case as I have given?

Mr. CUMMINS. I propose that the corporation shall pay that tax.

Mr. RAYNER. Does the amendment of the Senator say that the corporation shall pay it?

Mr. CUMMINS. As I understand, the duty could be collected from the corporation, but I will strengthen it in that particular.

Mr. RAYNER. I have not read it. I should like the Senator to point that clause out. It is a very important feature if it says so. The Senator from Michigan [Mr. SMITH] and myself both think that it does not cover that case.

Mr. SMITH of Michigan. Mr. President—

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Michigan?

Mr. CUMMINS. I do.

Mr. SMITH of Michigan. I do not wish to annoy the Senator from Iowa.

Mr. CUMMINS. The Senator does not annoy me at all.

Mr. SMITH of Michigan. The suggestion of the Senator from Utah [Mr. SUTHERLAND] impressed me very much, and the answer given by the Senator from Iowa, it seems to me, leads to this, that under his amendment you can not reach an individual income until it exceeds \$5,000. Is that correct?

Mr. CUMMINS. Yes.

Mr. SMITH of Michigan. Then, if the income of \$2,000 from a given corporation, as suggested by the Senator from Utah,

is the income of the head of a house, until it reaches the \$5,000 mark you can not touch it, and it is not the Senator's desire to reach it. Is that correct?

Mr. CUMMINS. That is correct.

Mr. SMITH of Michigan. Now, suppose the income gets to be \$10,000 for the same individual, that he has five children in his family, and that each one of the children is given an equal share in the dividend-producing stock, how are you to reach it? I should like to know whether the amendment of the Senator will reach such an income as that?

Mr. CUMMINS. Mr. President, the amendment provides that there is to be but one exemption of \$5,000 in such a case as that suggested by the Senator from Michigan.

Mr. SMITH of Michigan. That is, in the family?

Mr. CUMMINS. In the family.

Mr. SMITH of Michigan. Well, does that include the collateral family, in which distant relatives have a share?

Mr. CUMMINS. I do not know, Mr. President, what a collateral family is. It is supposed to be against good morals to maintain a collateral family. [Laughter.]

Mr. SMITH of Michigan. I congratulate the Senator from Iowa heartily that he does not know what a collateral family is. [Laughter.]

Mr. CUMMINS. In turn, if the Senator from Michigan has any experience about that—

Mr. SMITH of Michigan. I have a very large experience.

Mr. CUMMINS. I suppose we will hear of it later on.

Mr. SMITH of Michigan. Probably; but my experience grows out of the fact that my name happens to be "Smith." [Laughter.]

Mr. CUMMINS. I again congratulate the Senator.

Mr. President, I am sure the Senate will acquit me of any original intent to delay the regular order of the Senate by such an extended discussion. I am not at all blamable, I think. I rose simply to make some observations with regard to an income tax generally. The details of the amendment I have offered will be better understood and more intelligently debated after the amendment shall have been printed and after Senators shall have carefully considered it.

But I was rather entertained this morning in reading a newspaper containing the suggestion that it was the purpose of Republican Senators who favor an income-tax law to invade in some way the system of protection—that it was an insidious attack upon this fundamental principle of the Republican organization. I desire to disclaim any such purpose upon my part. There is no Senator who yields allegiance to the Republican party who is more firmly wedded to the doctrine of protection than I. I understand that I came into the Senate with some suspicion respecting my soundness upon the policy of protection. I frankly admit, if I am to be measured by the test imposed by that association of selfishness and slander known as the "Protective League," that I am not sound upon the doctrine of protection; but if I may be measured by Republican platforms, by the utterances of McKinley and of Garfield and of Allison and of Blaine, then I am as sound as any Senator who marches under the political banner to which I yield my loyalty.

I am not in favor of an income tax for the purpose of destroying the efficiency of the system of protection, and if it be true that an import-duty law can not be adjusted so as to afford ample and adequate protection to American industry without foreclosing the opportunity for the operation of an income-tax law, then I abandon the income-tax provision, for I have no desire to invade by a hair's breadth the established and long-continued policy of the party to which I belong of giving full and ample protection to the American as against every other man on the face of the earth.

I have heard it said—and I think it was first said by a very distinguished Democrat—that an income tax was a Populistic doctrine. If it be Populistic, if it be the emanation of that party that we know as the Populist party, then we owe that party a deep and abiding obligation.

But, again, I must call your attention to history. It is of ancient origin, for when the forefathers were fighting the Revolutionary war, the mother country was levying an income tax; and when the Constitution of the United States was adopted more than one of the colonies was raising its revenues in this manner. It is, so far from being what is ordinarily accepted as Populistic, a long-established and almost universally recognized principle of political economy.

I shall say no more upon that subject; and I come immediately to the phase which I think most interests Republican Senators, and to which I intended when I rose to devote my principal attention. It is this: If we do not need the revenue that

would be derived from an income tax, then there ought to be an end of the discussion. The Senator from Rhode Island [Mr. ALDRICH] on Monday morning stated in substance, as I understood him, that we did not need more revenue than will be received at the custom-houses, and that, if the adjustment of the import duties presented by the committee is disturbed, we will have either too large a revenue or too little protection. This, in effect, was the statement made by the distinguished chairman of the Committee on Finance. If these conclusions are sound, I for one abandon my proposal for an income tax, for I say without hesitation that if in securing adequate protection a revenue is necessarily raised that will meet the reasonable expenditures of the Government, then, from my standpoint, it would be an economic crime to impose a tax on incomes. Therefore let us examine the validity of the conclusion.

I take up, first, the expenditures for the year ending June 30, 1910. Do not understand me to oppose my inexperienced and immature judgment upon those matters which fall within the scope and within the learning of the chairman of the Finance Committee against his. There are some things upon which I yield to him an immediate superiority; but there are some things involved in the statement made by the Senator from Rhode Island on Monday morning concerning which every Senator in this Chamber, no matter how brief his service may have been, is just as good a judge as is the Senator from Rhode Island.

As I have said, I take up, first, the expenditures for the year ending June 30, 1910. Congress has already appropriated \$1,044,000,000 for those expenditures. The Senator from Rhode Island first adds \$20,000,000 for the postal deficit of the year. I take no issue with him with respect to that item. It makes the total expenditures for the coming year \$1,064,000,000. He then deducts appropriations for the Post-Office Department, \$235,000,000; the sinking fund, \$60,000,000; the national-bank fund, \$30,000; and the Panama Canal expense, \$37,000,000. The result, to be entirely accurate, is a probable expenditure of \$702,000,000. The reason for the deduction of the Panama Canal expense is obvious, but the reason for the elimination of the sinking fund of \$60,000,000 is not so clear, at least to me, unless the Senator contemplates an abandonment of all effort to reduce the national debt, and proposes to establish it as a permanent institution.

I shall not, however, at this time inquire into the wisdom of eliminating the sinking fund, and shall assume, in accordance with the judgment of the Senator from Rhode Island, that a prudent Congress will make provision for a revenue to at least the extent of \$702,000,000, without impairing seriously our present surplus.

I turn now to his statement with respect to the receipts for the year ending June 30, 1910. His estimate is \$655,000,000, leaving a deficit, upon his own showing, of \$47,000,000. While I am willing to accept implicitly the conclusions of the Senator from Rhode Island growing out of the application of any given schedule to any given importation, I am not willing to accept his estimate of the probable receipts at the custom-houses for the coming year. He assumes that the importations for 1910 will equal the importations of 1907, and, applying the duties recommended by the committee, he estimates that the receipts will be \$340,000,000 at the custom-houses, and to this he adds \$5,000,000 for better administration of the law, making a total of \$345,000,000.

My skepticism with respect to this conclusion does not arise from any lack of confidence in the skill of the Senator from Rhode Island in applying rates to importations. It arises because I do not believe we will reach in 1910 the enormous volume of business done in 1907.

It required nine years of extraordinary conditions, nine years of such prosperity as the American people never before knew to reach the climax of 1907. The severity of the depression which began in October of that year is just fairly dawning upon our minds, and I can not concede that for the year beginning now in two months and ending on the 30th of June, 1910, importations will reach the wonderful volume of that unparalleled year, 1907. It seems to me it would have been more prudent—and I submit it to you, Senators, whose judgments are better than mine—to take the average of 1907 and 1909 or the average of 1906 and 1907—

Mr. RAYNER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Maryland?

Mr. RAYNER. I was only going to ask the Senator a question for information.

Mr. CUMMINS. I do.

Mr. RAYNER. Am I correct in the statement that in 1907 the importations ran from fifty to a hundred and fifty million dollars more than they did for any of the years from 1900 to 1909?

Mr. CUMMINS. You are.

Mr. RAYNER. What is giving me trouble about the statement is this: The Senator from Rhode Island takes the importations from the 1st of March to the 15th of April and shows by actual figures that there was a \$12,000,000 increase between the 1st of March and the 15th of April. Then he makes the calculation that if the increase in 1910 is at the same ratio, we will, in that year, equal the importations of 1907. Does the Senator from Iowa propose to take up that part of the statement which the Senator from Rhode Island submitted to the Senate?

I will make it clearer. I have not the figures before me now. He stated that the importations from the 1st of March to the 15th of April increased, as compared with the corresponding days in 1908, \$12,000,000. That is correct, is it not?

Mr. CUMMINS. I do not distinctly hear the figures given by the Senator from Maryland.

Mr. RAYNER. I will give the figures in a moment. Here is the statement. The Senator from Rhode Island said:

Business activity and the movement for increased importations has already commenced. We can feel the change in the air—

That is the only place where we will feel it, I am afraid—

The customs receipts for the thirty-nine business days from March 1 to April 15, inclusive, increased, as compared with the corresponding days in 1908, \$12,031,093.08, or an average daily increase of \$261,545.50. If this rate of increase should continue throughout the next year, it would lead to an increase in the customs revenue for that year of \$81,600,000.

I understand the Senator takes that showing and proves by it that we will have the importations that we had in 1907, and while there will be a deficiency of about \$45,000,000 in 1910, which he proposes to pay from what he calls the "surplus" in the Treasury—I call it the cash balance, but call it surplus or what you will—there will be a surplus of revenue in 1911. Has the Senator from Iowa examined the statement to which I have referred, to see whether it would carry out the conclusion the Senator from Rhode Island said it would, and that we would in all probability in 1910 have receipts running up to \$663,000,000 as we did in 1907?

Mr. ALDRICH. Mr. President—

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Rhode Island?

Mr. ALDRICH. I did not understand the last remark of the Senator from Maryland.

Mr. RAYNER. I will read the balance of it.

Mr. ALDRICH. No; that is not necessary; but I do not understand the last statement about \$663,000,000. What does the Senator refer to?

Mr. RAYNER. Those were the receipts for 1907—six hundred and sixty-three million one hundred and forty-odd thousand dollars.

Mr. ALDRICH. That is not from customs.

Mr. CUMMINS. That is the entire revenue.

Mr. ALDRICH. The entire revenue.

Mr. RAYNER. I understand it is. The customs receipts were three hundred and odd million dollars.

Mr. CUMMINS. Three hundred and thirty-two million dollars.

Mr. RAYNER. Three hundred and thirty-two million dollars. The Senator from Rhode Island says this, and I thought he might make a further explanation of it.

I am not attacking these figures. I have simply risen for the purpose of information. I am very frank to say I am opposed to this bill and I shall vote against it, and in a few days I hope to address the Senate against it. I should like to see this bill or such a bill framed as will raise sufficient revenue.

The Senator from Rhode Island says:

It will thus be seen that by taking the importations of 1909 as a basis and making proper allowance for increases, we obtain practically the same figures as those based upon the importations of 1907, confirming the result of my first calculation.

Mr. ALDRICH. I will explain that in this way: I think the Senator from Maryland will see in a moment what I was trying to get at in that sentence. The customs revenue for the current year will be \$300,000,000, approximately. It can not vary more than three or four million dollars from that sum. If we add to that the increased ratio which has already taken place—that is, from the 1st of March until the 15th of April—we shall have more than \$350,000,000, or approximately \$350,000,000, of revenue, exclusive of the added amounts of revenue which will be derived from the Senate bill, as compared with existing law.

Mr. RAYNER. One moment, before the Senator takes his seat.

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Maryland?

Mr. CUMMINS. I yield. I assume the Senator is asking a question of the Senator from Rhode Island.

Mr. RAYNER. Yes.

Mr. CUMMINS. I say the Senator is asking the Senator from Rhode Island.

Mr. RAYNER. I will ask it of you.

Mr. CUMMINS. I yield.

Mr. RAYNER. I will ask the Senator from Iowa. I suppose he will answer it.

Mr. CUMMINS. I yield.

Mr. RAYNER. Is this increase in duties largely derived, and almost entirely derived, from the increase in the wine schedule and the change from ad valorem to specific duties on silks?

Mr. ALDRICH. Almost entirely.

Mr. CUMMINS. In this very interesting colloquy I have really failed to catch the question desired to be put to me by the Senator from Maryland. Will he restate it?

Mr. RAYNER. The question which "the Senator from Maryland" wanted to ask the Senator from Iowa is whether or not he agrees with the Senator from Rhode Island that the increase from the 1st of March to the 15th of April will keep on, so that we will have the importations we had in 1907? I only want the Senator's opinion upon that point.

Mr. CUMMINS. I will reach that in a moment.

At the time I was interrupted by the Senator from Maryland I was dealing with the comparison instituted by the Senator from Rhode Island with respect to the probable importations for the year 1910. It was his opinion, inasmuch as we were recovering from the depression of 1907, the volume of business for the coming year would be as great as for the year 1907, and it was with regard to his judgment or opinion upon that point that I ventured the dissent. I do not believe that Congress can safely proceed upon that hypothesis, and I desire especially to impress it upon Senators. We can not in 1910 attain that high point either in consumption or in production which we enjoyed in 1907, and I was suggesting that it would have been more prudent to have combined the revenues of two years, say of 1906 or of 1909 with the revenue of 1907, and ascertain in that way what will probably be gathered at the custom-houses for the year ending June 30, 1910. I have done so, and the result, adding the eight millions that the Senator from Rhode Island says, and I accept his judgment upon that point, will be added to our revenues upon the same importations, will be that our revenues for the year 1910, gathered at the custom-houses, will be approximately \$342,000,000.

Mr. ALDRICH. Mr. President—

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Rhode Island?

Mr. ALDRICH. Will the Senator yield to me for a moment?

Mr. CUMMINS. I do.

Mr. ALDRICH. The average increase of revenue for the thirty-nine business days between the 1st of March and the 16th of April was \$261,000 per day. I have just before me the receipts for the period from the 17th to the 20th day of April. They have just reached me this morning. The average is \$261,000 a day. For the 20th of April the customs receipts were \$1,040,000, against \$570,000 a year ago, being an increase on this day of \$462,000 against an average of \$261,000 for the total period from March 1 to April 15.

Mr. CUMMINS. I was about to reach that point in the comparison. I take it for granted, then, that if there had been no increase within the last few days, as compared with similar days in 1908, even the Senator from Rhode Island would hesitate to affirm that the revenues from the custom-houses in the year 1910 would exceed \$324,000,000. He supplements, strengthens, and corroborates that conclusion by a reference to the dealings at the custom-houses within the last month or so.

Mr. ALDRICH. As we are discussing now the probable revenues for the year 1910, will the Senator allow me to put into the Record a statement made by the Chief of the Warrant Division of the Treasury? I prepared these figures and estimates by myself, after having consulted with the various experts of the Treasury Department. After they were prepared, I asked the Chief of the Warrant Division of the Treasury Department, who is recognized as a better authority than any other man in the country, to give me his idea as to what the revenue would be in the year 1910; and if the Senator will bear with me, I will be glad to read his statement.

Mr. CUMMINS. I shall be very glad to yield for that purpose.

Mr. ALDRICH. It was received by me after my own computation had been made. He says:

Considering the growth of population, with its future demands, and noting the increase of revenue now coming to the Treasury, indicating renewal of business activity, it seems most probable that the customs receipts will show material gains in the ensuing year over the increase commenced in February, 1909.

Therefore, the receipts for 1910 should be at least \$340,000,000, or an average of twenty-eight and one-half millions a month.

This does not take into consideration the increase in revenue which would necessarily follow the enactment of the Senate bill of about \$9,000,000 over the present law, the Dingley rates. That would bring the estimated receipts, upon the basis of this estimate, to \$350,000,000, which is \$5,000,000 more than my own estimate. I feel that I ought to put in this statement in justice to the officials of the Treasury Department, who have given this matter careful attention.

Mr. CUMMINS. The statement just read by the Senator from Rhode Island, in so far as I am concerned, adds nothing whatsoever to the weight or force of the conclusions announced by the Senator Monday morning. I will accept the opinion of the chief of any department—a man of skill, a man of experience—with regard to the application of the law to a given business; but in attempting to determine what the business of the United States will be in the coming year, how rapidly we will recover from the depression we have suffered, I would vastly rather have the opinion of the Senator from Rhode Island, with his wide observation, with his years of experience, than the opinion of any official of any department of the Government; and I am asking the Senators to weigh the judgment of the Senator from Rhode Island, expressed, I have no doubt, with absolute honesty and entire sincerity. But his conclusion and the conclusion of the chief of the Treasury Department are based upon the hypothesis that the American people will do as much business in 1910 as they did in 1907. I dissent from that hypothesis. I do not believe we will so speedily recover, and I can not think it prudent for the American Congress to adjust its affairs—affairs of so vital moment—upon the opinion of any man, if you please, with respect to the recovery from a financial and industrial depression.

Mr. NEWLANDS. Mr. President—

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Nevada?

Mr. CUMMINS. I do.

Mr. NEWLANDS. May I ask the Senator from Iowa what revenue he expects to obtain from the measure he has introduced?

Mr. CUMMINS. The revenue that would be obtained from an income-tax law, as I have suggested, is conjectural. There are no statistics, at least at my command, that will enable me to answer that question save approximately. I believe that if the bill were in operation it would produce during a calendar year from forty to forty-five million dollars of revenue.

Mr. NEWLANDS. Will the Senator indulge me further?

Mr. CUMMINS. I will for a question. I feel exceedingly reluctant to consume the time of the Senate contrary to my original intention. If the Senator desires to ask a question, I will gladly yield.

Mr. NEWLANDS. I wish to ask a question, but a short statement will be necessary before I put it.

Mr. CUMMINS. I can not yield for the interjection of an argument.

The VICE-PRESIDENT. The Senator from Iowa declines to yield.

Mr. NEWLANDS. Very well. Then I will ask the Senator a question. Does the Senator believe that the entire constructive work of the country, such as the work on the Panama Canal, the work which we anticipate entering upon regarding the improvements of rivers and harbors, aggregating some \$50,000,000 annually, the work which we expect to enter upon in the construction of public buildings upon some comprehensive plan, involving an expense of from thirty to fifty million dollars annually, should come entirely out of bond issues, or does he think it wise to provide additional revenue in order to meet those expenditures?

Mr. CUMMINS. In answer to the Senator from Nevada I will state, although my judgment may not be of great value upon that point, that in my opinion the expense connected with the construction of the Panama Canal ought to be borne entirely from the proceeds of an issue of bonds.

With regard to the other public improvements suggested in the question, I believe they ought to be borne out of the general revenues of the Government; and it is one of the purposes of

this amendment so to enlarge those revenues that the improvements can be carried forward.

Mr. NEWLANDS. I will state that I am entirely in sympathy with the Senator from Iowa in that purpose—

The VICE-PRESIDENT. Does the Senator from Iowa yield further to the Senator from Nevada?

Mr. CUMMINS. I will yield, though I have answered the question. However, recurring again to a point which it seems difficult to pass, if you will take the two years, 1907 and 1906 or 1907 and 1909, and combine the customs revenues of those two years and apply the very same rule that has been applied by the Senator from Rhode Island, you will have a revenue from the custom-houses of \$324,000,000, that being \$21,000,000 less than the amount estimated by the Senator from Rhode Island; and, added to the deficit which it is acknowledged will exist in the year 1910, we have a deficit of \$66,000,000 instead of a deficit of \$44,000,000.

I now come for a moment to the comparison instituted of the work done in the last few weeks.

I decline to accept the results of importations since we entered upon the composition of the tariff bill as any index of the importations throughout the year. At their best, a few days or a few weeks do not furnish sufficient basis for any prudent conclusion. But least of all do the days and weeks through which we have passed now for a month furnish the evidence upon which you would act in determining whether importations will grow as rapidly as suggested in the comparison. I can not think that in determining what revenues we ought to have, a wise and a prudent Congress will assume that the importations will be accelerated and multiplied as they have been during the last few days.

I have now suggested everything I desire to say with regard to the expenditures of 1910. I pass over now to 1911, that being the last period covered by the Senator from Rhode Island. In ascertaining our condition at the close of the year 1911, he assumes that the customs revenues will increase \$40,000,000 over and above his estimate for the year 1910. I can not think that it is in harmony with what we know about the business of this country to assume that in 1911 our customs revenues will exceed the revenues of 1910 by \$40,000,000.

Mr. ALDRICH. The Senator does not take into consideration any other source of revenue.

Mr. CUMMINS. I assume that you do not expect any great addition in any other revenues than the customs.

Mr. ALDRICH. I do expect—

Mr. CUMMINS. There has not yet been pointed out, so far as I know, any increase in revenue other than at the custom-houses of the country.

Mr. KEAN. If the Senator will allow me—

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from New Jersey?

Mr. CUMMINS. I do.

Mr. KEAN. For the month so far the internal-revenue receipts are \$12,000,000, while last year they were \$11,521,000, being half a million dollars more.

Mr. CUMMINS. I understand perfectly the point made by the Senator from New Jersey; but if I were estimating a revenue for the United States, especially a revenue derived by a tax upon liquor, I would conclude that within the immediate future the result of that tax would be diminished rather than increased, for I believe it to be true, and I hope it is true, that there will be, under the vast, overwhelming development of sentiment sweeping now over this country, a marked diminution in the consumption of this seductive article.

Mr. KEAN. I will say to the Senator that my information is that the increase in internal revenue was not on liquors, but on tobacco.

Mr. ALDRICH. And beer.

Mr. KEAN. And beer.

Mr. CUMMINS. Let me ask, Is there any proposal to increase the duty on beer? I did not know that there was any such suggestion. I am heartily in favor of an increase in the duty on beer of half a dollar a barrel, but I did not understand that the Finance Committee had reported any such measure. Is it not true that the duty remains the same in the bill as reported?

Mr. ALDRICH. It does, as far as the committee is concerned. Of course I do not know what is in the mind of the Senator from Iowa.

Mr. CUMMINS. I can not blame the Senator for not knowing. He has made no effort to ascertain.

So, Mr. President, it is hardly prudent to assume that the receipts of 1911 will be increased \$45,000,000 over those of 1910. I refer now to the very last item that has been under consideration. In reaching the conclusion that no further reve-

nues were needed, the Senator from Rhode Island assumes that in the year 1911 the appropriations made by Congress for conducting the Government of the United States will be \$35,000,000 less than are now appropriated for the management of our affairs in 1910. I will join the Senator from Rhode Island in reducing the expenditures of this country to the very lowest point of efficiency. Here is a matter of judgment for every Senator. Do you believe that we will be able when we come to make our appropriations for 1911 to reduce those appropriations below the limit of 1910?

I grant you that there is abundant room for reform; I grant you that large sums of money can be saved by a prudent revision of some of our departments; but do you not believe that it will require all the strength and all the virtue held by the Congress to limit for the year 1911 our expenditures to the sum appropriated for 1910?

If when we consider the growth of this country, the rapidity with which the Government takes on new functions, we can hold our expenditures to the amount appropriated in 1910, we will have done more than most of the optimistic and sanguine Senators believe can be done. If this country grows in its importations, if it grows in its internal revenues, it will also grow in its demands upon the Government in the exercise of duties and of functions not now provided by law, and if we will join hands in the effort to prevent the increase of the aggregate amount appropriated for this year in the coming year, we will have served the people whom we represent faithfully and well.

If I am right with respect to these things, Senators, we need the revenue that will be raised by an income-tax provision. We need it for the wise and economical and efficient administration of a government like ours. We may differ with regard to the propriety of an income-tax law. Some of you may prefer an inheritance-tax law; some of you may prefer some other form of adding to the revenues of the Government; but I hope that the merits of the measure which I have offered will be considered not upon the assumption that it creates a useless, unnecessary revenue, but that it will be considered in comparison with other proposals for adding to the revenue of the United States, and when so considered I can not doubt that a wise, just, and honest result will be attained.

Mr. BACON. Before the Senator takes his seat I desire to ask him a question, with his permission.

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Georgia?

Mr. CUMMINS. With pleasure.

Mr. BACON. I have listened with very great interest to the Senator's speech from beginning to end, and my inquiry is prompted by the fact that I have failed to hear from the Senator an allusion to a certain phase of this question. I understand the distinguished and learned Senator to base his support of the proposition for an income tax solely upon the ground that the bill as proposed by the committee will not yield, in all probability, a sufficiency of revenue for the support of the Government. I understood the Senator further to say that if he was wrong in that contention, he abandoned his advocacy of the income tax. Am I correct in that understanding?

Mr. CUMMINS. The Senator from Georgia does not state my meaning, at least with perfect accuracy.

Mr. BACON. I shall be very glad to be corrected, then.

Mr. CUMMINS. I will restate it. I said that if I must choose between an adequate and complete protection to the industries of the United States and an income-tax law, I unhesitatingly would choose the former.

Mr. BACON. I understood the Senator to say that; but what I understood him to advocate was the adoption of his amendment or some kindred proposition exclusively upon the ground that the bill as proposed would, in his judgment, not yield a sufficiency of revenue, and the Senator did not base his advocacy of it upon any other ground.

Mr. CUMMINS. It is my opinion, answering the Senator from Georgia, Mr. President, that the bill as reported by the Senate committee will not yield sufficient revenue for the fair and economical administration of the concerns of the United States, and that an income-tax law is the fairest and justest supplement that can be added to create the necessary revenue.

Mr. BACON. Then I will put the question to the Senator in another form. If the Senator can be satisfied that he is not well justified in the apprehension which he has expressed this morning as to the insufficiency of the revenue to be raised under the bill to meet the demands of the Government, that he is wrong in that particular, and that the Senator from Rhode Island is, on the contrary, correct, does the Senator from Iowa then abandon his advocacy of an income tax as an amendment to this bill?

Mr. CUMMINS. I do not—

Mr. BACON. That is what I wanted to find out from the Senator, because—

Mr. CUMMINS. If the Senator will allow me to conclude my answer—

Mr. BACON. Certainly.

Mr. CUMMINS. I do not, because I believe that the bill as reported by the Senate committee can be so readjusted as to decrease the revenue and still afford adequate protection, and for that diminution I would prefer a revenue raised by an income tax.

Mr. BACON. That is the point upon which I wished to hear the Senator, and I listened with very great interest and attention to his speech from the beginning to the end to see if the Senator would touch upon that which I regard as the vital consideration in connection with the advocacy of an income tax.

Now, Mr. President, as the Senator has concluded his speech, and I have not completed my inquiry of him, I ask him to pardon me for being a little more prolix than I would otherwise be if he were in the delivery of his address. I have purposely omitted interrupting him pending that time, my object being to have a little more opportunity to make myself plain and clear in the inquiry which I desire to make of the Senator.

From my standpoint, believing as I do in the policy and propriety of the laying of an income tax, the important consideration in connection with it is not based upon the apprehension which has so disturbed the Senator from Iowa, that there may not be sufficiency of revenue, because I have great confidence in the judgment of my learned and distinguished friend from Rhode Island [Mr. ALDRICH] in regard to that matter, but my trouble is this: If I have understood correctly the demand which has come up from the American people for a revision of the tariff law, it is a demand so loud that the Republican party itself could not turn a deaf ear to it, and was unwilling to go into the campaign until it had made a pledge upon that subject.

My understanding of the cause of that demand was that the burden of taxation rested so heavily upon the great masses of the people of the United States; and when I say that, I am not speaking of those who are poverty stricken, but of the masses of the people who are in moderately good circumstances, people who live by salaries and who live by wages, and people who live from incomes in small business. The burden upon them was so great as to become intolerable, and the people of the United States desired that the tariff law should be revised in order that that burden might be decreased and that they might be put in a more tolerable condition in the bearing of the expense of comfortable living. In other words, the great masses of the people of the United States were in a condition where food cost them too much, where raiment cost them too much, and where the expense of every incident of life necessary for a comfortable living was in excess of that which they could reasonably supply from ordinary incomes.

Now, the point of the inquiry which I desire to make—

Mr. ALDRICH. Mr. President—

Mr. BACON. If the Senator from Rhode Island will pardon me a moment, my point is this: Does the Senator from Iowa believe that the bill which has been reported from the committee will relieve the great masses of the people of this country of the burden of the excessive cost of living? Will it enable them to get their food cheaper? Will it enable them to get their raiment cheaper? Will it enable them to put shoes upon the feet of their children and hats upon their heads and coats upon their backs cheaper than has been the case heretofore?

Mr. President, of course all this matter is to be thrashed out during the debate on this bill. I do not propose now to enter upon a discussion of the details, but I wanted to bring the attention of the Senator from Iowa to the fact that, with some of us at least, the ground upon which we base the advocacy of an income-tax law is not that there shall be an increase of revenue, as was suggested by the Senator from Rhode Island in his speech on Monday, but that even if there should be no increase of revenue it may be so readjusted through the enactment of an income-tax law that a large part of the burden of the revenue may fall where it does not now rest, upon the wealth of the country, and that it may be taken off where it now rests in such an intolerable burden, from the masses of the people, destroying their efforts to secure a comfortable living for themselves and their families.

Mr. ALDRICH. Will the Senator allow me?

The VICE-PRESIDENT. The Senator will suspend. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated by the Secretary.

The SECRETARY. A bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. ALDRICH. The suggestion which I wish to make to the Senator from Georgia is this: I am very glad that he has asked this question in the form he has, because if I did not misunderstand the Senator from Iowa he agrees substantially with what the Senator from Georgia is now saying. There may be a question of degrees, perhaps, between himself and the Senator from Georgia, but I would be glad to have this matter thoroughly understood. I am glad the Senator from Georgia has asked the question, because if I did not misunderstand the remark of the Senator from Iowa a moment ago he is desirous of reducing the taxes imposed by the pending bill.

Mr. BACON. I suppose the Senator from Iowa would have given that assurance if the Senator from Rhode Island had not kindly relieved him of the trouble or necessity of doing so.

Mr. CUMMINS. I did not hear the Senator's remark.

Mr. BACON. I am glad to have the assurance that such is the desire of the Senator from Iowa, even if it has been given through the medium of his distinguished leader, the Senator from Rhode Island.

Mr. ALDRICH. I understood the Senator from Iowa himself to say it.

Mr. BACON. I suppose so, and I said that I had no doubt the Senator from Iowa would say it if the Senator from Rhode Island did not anticipate it and say it for him.

Mr. CUMMINS. Mr. President—

Mr. BACON. But I want to say this, if my distinguished friend from Iowa will permit: As the Senator has said in the course of his remarks, he has a history, one which was known to many of us before he came to this Chamber, at least in part. We had marked the very active and efficient advocacy by the then distinguished governor of Iowa, not only in his official utterances, but in his addresses before the people, his great concern, his well-founded concern, and most admirably expressed concern at, I will not use the word "iniquities," but the oppression of the tariff, and in the injustice which was imposed by it upon the consumers of the country.

I confess that when the Senator from Iowa rose in his place this morning to advocate an income tax, I expected to hear a most instructive and, to me, a most gratifying disquisition upon the suggestion that the income tax was one which should be laid and which should have its greatest foundation in the great necessity to shift the burden of taxation from the shoulders of the ordinary consumers, those who are so little able to bear it, and should rest it in part, at least, so far as the machinery and the constitutional power of this Government may permit, upon the shoulders of those who have the great wealth of the country and who, under our peculiar system of government, bear no appreciable part in the support of the Government, the entire support of the Government resting upon consumers and being almost per capita, regardless of the wealth and ability of the respective citizens to bear each his part.

Therefore, I desired to ask the Senator from Iowa whether or not, in his judgment, the ground for the imposition of the income tax in this particular juncture was rested upon the necessity for an additional revenue, or whether it was rested upon the importance of shifting the burden of taxation from the great masses of consumers, so far as we may be able to do it, to rest it in part, at least, upon the shoulders of those who have the wealth of the country. I wanted to know which, in the opinion of the Senator from Iowa, is the more important consideration, he having given his entire time to the one and having entirely omitted the other.

Mr. CUMMINS. Mr. President, in answer to the question of the Senator from Georgia, I must remind him that it was not my purpose when I rose this morning to present the amendment respecting an income tax to say everything that I think with regard to the tariff. I shall hope as the discussion proceeds to disclose my views with regard to certain duties that are reported in the bill now before the Senate.

I am a protectionist. I believe in protecting the American markets against unfair competition from other countries. I believe, however, that upon many of the articles which are found in the schedules of the bill reported by the Finance Committee the duties are higher than are necessary to accomplish that result, and I expect, as time goes on, to vote for such reductions as I believe ought to be made, but never for any reduction that will open unfairly the American market to the foreign producer.

I want that to be so distinctly understood that hereafter there can be no possible misapprehension about it. My complaint about the tariff law as it now exists, my complaint about the report as it is now before the Senate, is that it attaches duties that are too high to a great many of the articles which are fairly within the scope of a tariff law. I believe, as I said be-

fore, that I could, if I had the power, produce tariff schedules that would give to the American producer his due protection, that would diminish the revenues that are derived from the necessities of life, to which the Senator from Georgia has referred, and that would give more ample room than now exists for the operation of an income-tax law.

But my purpose this morning was simply to show that even upon the bill as presented by the Finance Committee, with the revenues that could fairly be expected from such a law, we shall still need the income-tax law to supply the deficiencies of revenue.

Mr. BACON. If the Senator will pardon me, I still do not understand him, even with the assistance of the learned Senator from Rhode Island, to have entirely answered the question which I propounded, which is, If the Senator were satisfied that the Senator from Rhode Island is correct in his judgment that the bill will raise a sufficiency of revenue, would the Senator then be in favor still of an income-tax law?

Mr. CUMMINS. I would.

Mr. BACON. I would be glad to have the Senator state on what ground.

Mr. CUMMINS. Simply because if I could change the situation I would so rearrange and readjust these schedules as to decrease the revenue derived from the custom-houses and place it where it should belong—upon those fortunate people who enjoy large incomes.

Mr. BACON. Now, the Senator has stated exactly the thing I wanted him to state.

Mr. CUMMINS. I am very glad that I have at last made myself understood.

Mr. ALDRICH. Mr. President, I have heard too many discussions in the Senate over terms, as to whether a man was a protectionist or otherwise, to be anything but sanguine that sooner or later the Senator from Georgia and the Senator from Iowa will reach a satisfactory conclusion upon this question.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. ALDRICH. I ask that the reading of the bill be proceeded with; that the reading be by paragraphs, with the understanding that no paragraph or no amendment suggested by the committee shall be acted upon about which there is any contention, and with the further understanding that we may go back at any time and take up any of the provisions of the bill which have been passed over.

Mr. BACON. I suggest to the Senator from Rhode Island that his motion possibly was not anticipated by the Senate, and—

Mr. ALDRICH. It was anticipated by the minority members of the committee, and the request is made on a full understanding with the minority members.

Mr. BACON. The Senator did not hear me through. I was simply suggesting that it might be well to have Senators now put upon notice of the fact that the motion is being called up which is now made by the Senator from Rhode Island.

Mr. ALDRICH. It is not a motion. The bill is now before the Senate.

Mr. BACON. Very well. I simply wish that Senators may be in their seats; that is all; and I think it very important.

Mr. ALDRICH. Does the Senator suggest the absence of a quorum?

Mr. BACON. I did not myself desire to make any suggestion, but I thought perhaps the Senator from Rhode Island would make it.

Mr. ALDRICH. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CARTER in the chair). The Senator from Rhode Island suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Clarke, Ark.	Hughes	Piles
Bacon	Clay	Johnson, N. Dak.	Rayner
Bailey	Crane	Johnston, Ala.	Richardson
Beveridge	Cullom	Jones	Root
Borah	Cummins	Kean	Scott
Bourne	Depew	La Follette	Smith, Md.
Bradley	Dick	Lodge	Smith, Mich.
Brandegee	Dillingham	McCumber	Smith, S. C.
Bristow	Dolliver	McLaurin	Stephenson
Brown	du Pont	Money	Stone
Bulkeley	Elkins	Newlands	Sutherland
Burkett	Fletcher	Nixon	Taylor
Burrows	Flint	Oliver	Tillman
Burton	Frye	Overman	Warner
Carter	Gamble	Page	Warren
Chamberlain	Guggenheim	Paynter	Wetmore
Clapp	Hale	Penrose	
Clark, Wyo.	Heyburn	Perkins	

Mr. BAILEY (when Mr. SHIVELY's name was called). The Senator from Indiana [Mr. SHIVELY] is detained at his rooms by illness.

Mr. CLARKE of Arkansas. My colleague [Mr. DAVIS] is detained at home on account of the recent death of his wife, and will probably not be here during the present session.

Mr. OVERMAN. I desire to announce that the Senator from Louisiana [Mr. FOSTER] is detained at home by sickness.

The PRESIDING OFFICER. Seventy Senators have answered to their names. A quorum is present.

Mr. ALDRICH. I ask that the reading of the bill be proceeded with.

The PRESIDING OFFICER. The Senator from Rhode Island requests that the reading of the bill by paragraphs be proceeded with.

Mr. NEWLANDS. Before we proceed with the reading of the bill, I should like to ask the Senator from Rhode Island whether there is any table which shows, with reference to each article covered by the bill, the amount of such article that is imported into this country and the amount of such article that is produced in this country, so that we can judge whether or not the duties imposed are either prohibitory or unduly restrictive of importations?

Mr. ALDRICH. Mr. President, the Senator from Nevada has upon his table, I assume, or he has had it, a statement of the amount of importations for the year 1907. The Census Office printed a report of the production in the United States of manufactured articles in the year 1905. There has been no statement made since that time. The Senator can easily procure a copy of that statement by sending to the Census Office.

Mr. NEWLANDS. Mr. President, I should like to ask the Senator from Rhode Island whether the committee could not direct such a table to be prepared?

Mr. ALDRICH. It is already prepared.

Mr. NEWLANDS. But I mean a table which will show in parallel columns, with reference to each article, just the amount—not the value, but the amount—in tons or pounds or yards of the article imported, and in another column the amount of the article produced in this country, so that we can have them in relation to each other.

Mr. ALDRICH. The Senator can himself, easily enough, put them in relation if he so desires, by sending to the Census Office and getting a copy of their report for 1905. There is also a statement published, called "Notes on Tariff Revision," printed by the House of Representatives, which contains all of this information in a connected and very short form, as short as could possibly be had. If the Senator desires, we shall order an additional edition of that publication. The Senator can easily get a copy of it by sending to the folding room for it.

Mr. NEWLANDS. I would suggest to the Senator that he would greatly facilitate the work of the Senate if he would have some of the experts in the employ of his committee make such a table as I have suggested.

Mr. ALDRICH. It has already been prepared. I hold a statement of that kind in my hand. If the Senator will send to the document room and get the work called "Notes on Tariff Revision," he will have it all together.

Mr. NEWLANDS. I have seen that book, but it does not cover my inquiry, in my judgment.

Mr. ALDRICH. It covers—

Mr. NEWLANDS. I have no doubt, I may say right here, that each Senator can, by an inspection of the statistical works of the country, by going over the statistical documents which have been presented in the House of Representatives, make up for himself such a table, but it would be a very laborious work, involving much labor by each Senator, whereas it seems to me that this work can be undertaken by some of the experts employed by the Committee on Finance, and Senators be relieved of this burden. What I suggest is, that this information should be placed in parallel columns, side by side. I shall look over the documents to which the Senator refers, which I am sure will not satisfy my suggestion or the convenience of the Senate, and I shall renew the suggestion hereafter.

The PRESIDING OFFICER. The Secretary will read the bill.

The Secretary proceeded to read the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which had been reported from the Committee on Finance with amendments.

The first amendment of the Committee on Finance was, on page 1, beginning in line 3, to strike out all down to and including line 13, and to insert:

That on and after the day following the passage of this act, except as otherwise specially provided for in the second section of this act, there shall be levied, collected, and paid upon all articles when imported from

any foreign country into the United States or into any of its possessions (except the Philippine Islands) the rates of duty which are by the schedules and paragraphs of the dutiable list of this section prescribed, namely:

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the Committee on Finance, which has been stated.

Mr. DOLLIVER. Mr. President, I have no particular objection to omitting the reading of the language of the House bill, but I desire to call the attention of the Senate to the fact that it will be very difficult to give a final determination on the rates of duty imposed until the Senate is in possession of that part of the scheme of this legislation which relates to the reciprocity and retaliatory features of the law, to the drawback provisions of the law, and especially those features of administration which will determine the standard upon which the valuation of imported merchandise shall be made. These rates, or most of them, will be changed by the maximum and minimum provisions; they certainly will all be affected by them. Many of them will be affected by the drawback provisions that are to be provided; and if a change is made, as the other House suggests and as I understand the Senate committee intends, by which the basis of valuation shall be transferred from the market in which the goods are purchased to the market here in which they are sold, it is obvious that a fundamental variation will be made in all the rates arising out of those provisions.

I want to call the attention of the Senate to these facts, because it appears to me that we ought to have this whole scheme together when we start on fixing these duties.

Mr. ALDRICH. Mr. President, the effect of this amendment is to simply put all the dutiable and free provisions of the bill in one section, instead of having them in two. That is the sole effect of the suggested amendment. It seemed to the committee better to have them in one section than in two.

Mr. McLAURIN. Mr. President, I think it would be better to read each of the House provisions which it is proposed to strike out before reading the amendment which is offered to it, so that the Senate can consider the two together—the provision for which the amendment is to be made and the amendment itself. I simply make that suggestion.

The PRESIDING OFFICER. At the request of the Senator from Mississippi, the provision proposed to be stricken out by the Committee on Finance will first be read.

The SECRETARY. After the enacting clause, beginning in line 3, on page 1, it is proposed to strike out as follows:

That on and after the day following the passage of this act, unless otherwise specially provided in this act, there shall be levied, collected, and paid upon all articles mentioned in the schedules contained in this section, and imported into the United States and into any of its possessions (except the Philippine Islands) from any foreign country, province, dependency, or colony, the rates of duty which are, by the schedules and paragraphs respectively in this section prescribed, whenever any such foreign country, province, dependency, or colony, respectively, is entitled under the provisions of section 4 of this act to minimum rates of duty.

And in lieu thereof to insert:

That on and after the day following the passage of this act, except as otherwise specially provided for in the second section of this act, there shall be levied, collected, and paid upon all articles when imported from any foreign country into the United States or into any of its possessions (except the Philippine Islands) the rates of duty which are by the schedules and paragraphs of the dutiable list of this section prescribed, namely:

Mr. CLAY. Mr. President, I presume I hold before me the statement referred to by the Senator from Rhode Island [Mr. ALDRICH]. I find in that statement the value of our imports for the year 1907; the quantity that came into this country; that is, the rate fixed on each article by the present law. I find, then, the rate fixed by the Senate bill, but I do not find in the statement any reference to the rate fixed by the House bill. Take, for instance, phosphate of ammonia. The present rate, under the Dingley law, is 25 per cent; in the Senate bill it is 25 per cent, but in the Payne bill my recollection is that it is on the free list. Has any statement been printed giving the rate fixed by the Dingley law, the rate fixed by the House bill, and the rate fixed by the Senate bill?

Mr. ALDRICH. The document which the Senator has before him shows the different rates.

Mr. CLAY. Does the Senator mean this large book [indicating]?

Mr. ALDRICH. That is the book.

Mr. CLAY. But it is very difficult to keep informed by reference to this volume.

Mr. ALDRICH. There are also several different prints of the bill.

Mr. CLAY. The one I have before me is the comparison of H. R. 1438—

Mr. ALDRICH. That is simply the "estimated revenues."

Mr. CLAY. Then, I understand the Senator to say there is a statement which gives the rate fixed by the Dingley law, the rate fixed by the House bill, and the rate fixed by the Senate bill.

Mr. ALDRICH. The document which I have here [indicating].

Mr. CLAY. That large book?

Mr. ALDRICH. Yes; and also the bill itself shows the rates fixed in the House bill.

Mr. CLAY. The bill itself ought to show what the House rates were and what changes the Senate committee made.

Mr. ALDRICH. That is all done.

Mr. CLAY. But if we had right before us one statement showing the Dingley law, the House bill, and the Senate bill, Senators could readily keep up with it.

Mr. ALDRICH. If the Senator will take this green book and turn to the different paragraphs, he will find that that precise thing is done, and that it contains altogether the text of the House bill, the changes suggested by the Senate committee, and the terms of the present law.

Mr. BEVERIDGE. Mr. President, I wish to direct the attention of the Senator from Georgia to this suggestion which I make to the chairman of the Finance Committee, who has the bill in charge. Would there be any objection, for the convenience of Senators, to having the experts in the employ of the Finance Committee make a list—there are several thousand items in the bill, as reported to the Senate, in the present law, and in the House bill—to make a list of the items, with the duties provided in the present law, and in another column the same items with the duties in the House bill, and in a third column the items with the duties proposed by the Senate bill? That would show at a glance the differences. Is there any objection to that?

Mr. ALDRICH. None whatever.

Mr. BEVERIDGE. Then I would suggest that it be done. It will save Senators a great deal of labor. I have examined the House notes pretty carefully, the two bills, and the very large and valuable volume that the Finance Committee has had laid before us for our convenience. Of course all these facts are there, but it is a practical impossibility—not an impossibility, but a practical impossibility—to see at a glance the difference in the items and the rates. I make that suggestion because I imagine that, as we go on, the question will come up, and, if it be agreeable to the chairman of the Finance Committee, I suggest that it be now agreed, Mr. President, that that be done. That will present the whole thing in compact form.

Mr. CLAY. That is correct.

Mr. BURKETT. Let me suggest to the Senator that he can remedy his difficulty a good deal more quickly than anybody else can remedy it for him, in my opinion.

Mr. BEVERIDGE. It is a difficulty of all Senators.

Mr. BURKETT. I find, in getting up information, that nobody can ever quite prepare a statement that readily catches the eye and the understanding of others. If the Senator will take the bill, as reported to the Senate, it will show two of the items that he suggests—the House rate and the Senate rate. If he will take a lead pencil and get the other volume that he has there, giving the Dingley rate—and the items come right along in the same order—in about thirty minutes he can mark in the Dingley rate, which is less time than you could get it from the Printing Office or your clerk could do it, and get it in just the form you want it.

Mr. BEVERIDGE. Mr. President, I did not mean to discuss my own feeble efforts to do this very thing, but I suppose a good many Senators have done just exactly what I am going to tell Senators I tried to do. I took a great big piece of paper, put on it the rate under the present law, under the House bill, and under the Senate bill, beginning right at the first schedule. To put down each one and the rate of duty is an interminable task for any Senator to undertake. The other plan—and if the chairman of the Finance Committee has no objection, I can not imagine why the Senator from Nebraska should have any objection—is to present in parallel columns the items covered by the present law, the House bill, and the Senate bill, with the rate of duty fixed upon each item, so that at a glance from the sheet you can see it.

Mr. BURKETT. That is what I am trying to show to the Senator—

Mr. BEVERIDGE. I have had this very thing before me. I have done it, and the Senator could not do it in thirty minutes nor thirty hours nor thirty days. If he has done it, I will be glad to have his paper.

Mr. ALDRICH. Take the book entitled "Estimated Revenues." That book shows the rate upon each item under the

present law and under the Senate bill. It will be easy to have printed at the Government Printing Office—in twenty-four hours, probably—the rates under the House bill in the next column, so that the Senate will have the three together in parallel columns.

Mr. BEVERIDGE. I have not the slightest objection to that. I merely made the suggestion to facilitate the work of the Senate and of Senators.

Mr. ALDRICH. We will have the order given at once.

Mr. BEVERIDGE. Very well, then, let the order be given at once.

The PRESIDING OFFICER. The Senator from Indiana requests—

Mr. ALDRICH. It is not necessary that the Senate order the printing. The committee have authority to do it.

Mr. BEVERIDGE. That is perfectly satisfactory.

Mr. ALDRICH. The order will be given immediately.

Mr. CLAY. I did not catch the suggestion of the Senator from Rhode Island. As I understand, he agrees to have printed in parallel columns the present duty under the Dingley law on each item, the duty on each item under the Payne bill as passed by the House—

Mr. BEVERIDGE. In another column.

Mr. CLAY. And then follow that immediately by the duty fixed by the Senate bill.

Mr. BEVERIDGE. In another column.

Mr. CLAY. Which will enable Senators to keep the rates of the three bills before them.

Mr. BEVERIDGE. Exactly so.

The PRESIDING OFFICER. That is within the province of the committee. The question is on agreeing to the amendment.

Mr. NEWLANDS. Mr. President, let me say to the Senator from Rhode Island that he can carry out the suggestion that I made a few moments ago by taking this book "Estimated Revenues" and putting a column next to the first column, which gives the quantity of imports for consumption, giving the amount of the same article produced in the United States, so that we will have before us at a glance the amount imported from abroad and the amount produced in the United States for purposes of comparison. Thus we shall be able to judge and to form an opinion as to whether the duties imposed are prohibitory or unduly restrictive. Would the Senator object to having that suggestion carried out?

Mr. ALDRICH. I would not; but that might delay the preparation of the table.

Mr. BEVERIDGE. Let that be done later.

Mr. ALDRICH. That can be done later. I think the first suggestion—

Mr. NEWLANDS. I would not wish to delay at all, of course, the execution of the suggestion of the Senator from Indiana, but if the Senator from Rhode Island will later on carry out the other suggestion, I am sure it would greatly aid in the consideration of the bill.

Mr. ALDRICH. I hold in my hand a report of the Director of the Census which was made to the Committee on Ways and Means of the House of Representatives, which contains, to a very large extent, the information suggested by the Senator from Nevada. As soon as it can possibly be prepared and printed, I will have that incorporated with the other statement.

Mr. BAILEY. I suggest to the Senator from Rhode Island, in view of the understanding that has just been reached, and in view of the fact that each Senator, as the several items are reached, would like to have that information—the agreement indicates that it is desirable, at least, to have such information—that he let the bill go over until to-morrow, as it is generally understood in the Senate that it is to be taken up by paragraphs.

Mr. ALDRICH. I would suggest to the Senator that we go on with the reading of the bill, with the understanding that any paragraph can be passed over or be subject to amendment or to change when Senators, upon their information, desire to take such action. The information will be here to-morrow morning, and the Senate can rely upon the committee, or some member of the committee, giving them any information that may be desired upon any of the items in the chemical schedule.

Mr. BAILEY. I think the Senate may rely upon the facts as stated by the committee, but not upon the judgment of the committee.

Mr. ALDRICH. No; I will not ask the Senator from Texas to do that.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. SCOTT. May I ask the Senator in charge of the bill if the reading now is for amendments of the committee and that the bill is not open for general amendment?

Mr. ALDRICH. The bill is open to amendment. I have not made any suggestion at this time in regard to any amendment. The only thing I have asked is that the reading of the bill be proceeded with by paragraphs, and if any Senator has any suggestion to make or any change to propose, the paragraph will be passed over, my purpose being to have the unobjectionable amendments of the committee disposed of, with the understanding also that at any time we may go back and take up any paragraph which has been passed over.

Mr. BEVERIDGE. Upon that point, I ask if it is not true that, as we are now in Committee of the Whole, the bill is open for amendment by any Senator at any time, either now or in the Senate?

Mr. ALDRICH. Yes.

Mr. BEVERIDGE. Even immediately before the passage of the bill any Senator might offer an amendment. It is open to amendment at all times, as I understand, and no Senator is foreclosed.

Mr. ALDRICH. That is correct.

Mr. NELSON. I desire to ask the Senator from Rhode Island a question. I notice that the second section of the bill has been stricken out. That is the provision regarding the maximum tariff. I want to know whether the committee have abandoned that scheme or intend to bring it in in a subsequent amendment?

Mr. ALDRICH. I assume the Senator from Minnesota was not present when I stated on Monday last that the committee are now preparing a scheme of maximum and minimum duties, which is quite unlike that of the House. The first draft has been made, and I hope to be able to present it to the Senate within the next week. The administrative features, or the changes suggested to the administrative features, are all now in print and have been practically acted upon by the full committee, subject to the inspection of each individual member. I expect to be able to report these amendments within two or three days, at the outside.

Mr. NELSON. Has the committee come to any conclusion on the drawback provision?

Mr. ALDRICH. No; except to this extent: I think it is the unanimous feeling of the committee that it will not do to adopt the House provision, and I think I can say, without violating any confidence, that the committee will probably recommend the restoration of the drawback provisions of the present law. I think every member of the committee, so far as I know, is opposed to the provision of the House bill.

Mr. NELSON. Is the Senator prepared to give an outline of what the scheme of maximum tariff will be?

Mr. ALDRICH. Not at this moment, because—

Mr. NELSON. Is it anything akin to what is in the bill now?

Mr. ALDRICH. No; I think I could hardly say so. It proceeds upon an entirely different proposition and a different method. I hope that it will be satisfactory to the Senator from Minnesota.

Mr. BRANDEGEE. Mr. President, I should like to inquire if I understood correctly that it is agreed by unanimous consent that at any time any Senator can ask to return to any paragraph in the bill?

Mr. BEVERIDGE. That is a Senator's right in any event, without unanimous consent.

The PRESIDING OFFICER. There is no agreement with reference to that, as the Chair understands.

Mr. ALDRICH. That is a Senator's right, of course.

The PRESIDING OFFICER. That is a Senator's right. The question is on agreeing to the first amendment reported by the committee.

The amendment was agreed to.

The reading of the bill was resumed. The next amendment of the Committee on Finance was, on page 2, line 8, to insert the heading "Dutiable list;" in Schedule A, on page 2, line 22, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section;" and in line 26, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section," so as to make the clause read:

DUTABLE LIST.

SCHEDULE A.—CHEMICALS, OILS, AND PAINTS.

1. Acids: Acetic or pyroligneous acid, not exceeding the specific gravity of 1.047, three-fourths of 1 cent per pound; exceeding the specific gravity of 1.047, 2 cents per pound; acetic anhydride, 2½ cents per pound; boric acid, 2 cents per pound; chromic acid, 2 cents per pound; citric acid, 7 cents per pound; lactic acid, containing not over 40 per cent by weight of actual lactic acid, 2 cents per pound; containing over 40 per cent by weight of actual lactic acid, 3 cents per pound; oxalic acid, 1 cent per pound; salicylic acid, 5 cents per pound; sulphuric acid or oil of vitriol not specially provided for in this section, one-fourth of 1 cent per pound; tannic acid or tannin, 35 cents per pound; gallic acid, 8 cents per pound; tartaric acid, 5 cents per pound; all other acids not specially provided for in this section, 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 3, line 4, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section;" and in line 5, before the words "per centum," to strike out "forty-five" and insert "twenty-five," so as to make the paragraph read:

2. Alcoholic compounds, including all articles consisting of vegetable, animal, or mineral objects immersed or placed in, or saturated with, alcohol, not specially provided for in this section, 60 cents per pound and 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 3, line 6, before the word "distilled," to strike out "Alkalis, alkaloids" and insert "Alkaloids."

The amendment was agreed to.

The next amendment was, on page 3, line 7, after the word "oils," to insert "extracted resins, and oleoresins."

Mr. DOLLIVER. These two articles appear to be new. I should like to inquire of the chairman of the committee what they are—extracted resins and oleoresins. They seem to be, according to the people who have communicated with me, articles that have hitherto been available in the manufacture of soap. I should like to inquire what the occasion is for putting them on the dutiable list.

Mr. ALDRICH. The question whether they are dutiable or free is now a contested question. The experts in the customhouse in New York think they ought to be dutiable, and they have so contended before the courts, and I think the courts have decided in their favor. If there is any suggestion of objection, however, I shall be very glad to have the amendment passed over for the present.

Mr. BEVERIDGE. I wish to ask one question. "Tannic acid or tannin, 35 cents a pound." I do not know whether my information is correct, but I understand that the material out of which tannic acid is made has very much diminished in this country and will probably further diminish, and that the most of our material for that substance is now imported. Is that correct? And, if it is correct, is this duty a revenue duty—I can readily understand it might be a revenue duty—or is it protective? Which is it?

Mr. ALDRICH. It is a revenue duty. I think there is no large amount of tannic acid now imported. I do not think there ever has been.

Mr. BEVERIDGE. Is it not increasing in its importation?

Mr. ALDRICH. I think not. I can tell the Senator—

Mr. SMOOT. The importations in 1907 amounted to \$3,190.83.

Mr. BEVERIDGE. Will the Senator from Utah tell me—I have myself forgotten—the materials out of which it is made? Are not we confined to a certain section of the country, and is not the material rapidly disappearing?

The PRESIDING OFFICER. Senators will please speak so that they can be heard at the desk.

Mr. BEVERIDGE. It is a revenue duty and not a protective duty?

Mr. ALDRICH. It is a small revenue duty. The present rate is 50 cents a pound. There are no considerable importations. So far as I know, there has been no disposition on anybody's part to increase the rate.

Mr. BEVERIDGE. Then, of course, if there is no importation to amount to anything, it is not a revenue duty.

Mr. OVERMAN. We on this side can not hear a word.

The PRESIDING OFFICER. Senators will be in order, and will please speak so that the Reporter and Senators can hear them. The question is on agreeing to the amendment.

Mr. BAILEY. What amendment do I understand is before the Senate?

The PRESIDING OFFICER. On page 3, line 7.

Mr. BEVERIDGE. The committee amendment.

Mr. BAILEY. I thought the chairman of the committee asked that the amendment, including the two oils about which the Senator from Iowa inquired, should be passed over.

Mr. ALDRICH. Let it be passed over.

The PRESIDING OFFICER. The Senator from Rhode Island did not request that it be done, but stated that if objection was made the amendment might be passed over.

Mr. BAILEY. Then, I will ask that it be passed over.

The PRESIDING OFFICER. Objection being made, it will be passed. The Secretary will resume the reading of the bill.

The Secretary resumed the reading of the bill.

The next amendment of the Committee on Finance was, in line 10, page 3, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section;" in line 14, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section;" and in the same line, after the word "section," to strike out "60 cents per pound and 25 per cent ad valorem" and insert "55 cents per pound, but in no case

shall any of the foregoing pay less than 25 per cent ad valorem," so as to read:

3. Alkaloids, distilled oils, essential oils, expressed oils, rendered oils, and all combinations of the foregoing, and all chemical compounds, mixtures and salts, and all greases not specially provided for in this section, 25 per cent ad valorem; chemical compounds, mixtures and salts containing alcohol or in the preparation of which alcohol is used, and not specially provided for in this section, 55 cents per pound, but in no case shall any of the foregoing pay less than 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 3, after line 17, to strike out:

4. Alumina, hydrate of, or refined bauxite, one-half of 1 cent per pound; alum, alum cake, patent alum, sulphate of alumina, and aluminous cake, and alum in crystals or ground, one-fourth of 1 cent per pound.

And insert:

4. Alumina, hydrate of, or refined bauxite, containing not more than 64 per cent of alumina, five-tenths of 1 cent per pound; containing more than 64 per cent of alumina, seven-tenths of 1 cent per pound. Alum, alum cake, patent alum, sulphate of alumina, and aluminous cake, containing less than 15 per cent of alumina and more than three-tenths of 1 per cent of iron oxide, one-fourth of 1 cent per pound; alum, alum cake, patent alum, sulphate of alumina, and aluminous cake, containing more than 15 per cent of alumina, or less than three-tenths of 1 per cent of iron oxide, one-half of 1 cent per pound. Potash alum and ammonium alum, one-half of 1 cent per pound.

Mr. DU PONT. I ask that the paragraph may go over.

The PRESIDING OFFICER. At the request of the Senator from Delaware, the paragraph will be passed over.

The next amendment of the Committee on Finance was, on page 4, after line 7, to strike out:

5. Ammonia, carbonate of, 1½ cents per pound; muriate of, or sal ammoniac, three-fourths of 1 cent per pound; liquid anhydrous, 5 cents per pound; aqua ammonia, 10 per cent ad valorem.

And insert:

5. Ammonia, carbonate of, 1½ cents per pound; sulphate of ammonia, two-tenths of 1 cent per pound; muriate of, or sal ammoniac, three-fourths of 1 cent per pound; liquid anhydrous, 5 cents per pound.

Mr. SMITH of South Carolina. I ask that the paragraph be passed over. I wish to offer an amendment, and to submit some remarks.

Mr. ALDRICH. The Senator, as I understand, is interested in the duty on sulphate of ammonia.

Mr. SMITH of South Carolina. Yes.

Mr. ALDRICH. I do not think it necessary to have the other articles passed over. I myself was about to suggest that sulphate of ammonia be passed. I think the Senator has no objection to the other articles.

Mr. SMITH of South Carolina. It is in reference to sulphate of ammonia. I wish to have this stricken from the bill, so that the House paragraph will obtain.

Mr. ALDRICH. The paragraph can go over, of course.

The PRESIDING OFFICER. At the request of the Senator from South Carolina the paragraph will be passed over.

Mr. DU PONT. It was my intention to ask that the paragraph containing sulphate of ammonia be passed over.

Mr. LODGE. That is not the one the Senator from Delaware asked to have passed over.

Mr. DU PONT. Then I withdraw the request that paragraph 4 be passed over. I misapprehended it.

Mr. LODGE. Let that paragraph be disposed of.

The PRESIDING OFFICER. The Senator from South Carolina made the request.

Mr. LODGE. That relates to paragraph 5.

The PRESIDING OFFICER. The question is on agreeing to the amendment to paragraph 4, concerning which the Senator from Delaware has withdrawn his objection.

Mr. DOLLIVER. I notice that the paragraph is a very great departure from the provisions of the House bill. It seems to divide these articles into two classes, imposing upon one a half cent a pound, and on the other one-fourth of a cent a pound. I should like to inquire what effect, as relating to this House provision, the Senate amendment has on increasing or decreasing the rate proposed in the House bill.

Mr. ALDRICH. This amendment was suggested by the chemical examiners in the New York custom-house for the better classification of the articles included in it, which are very large in number. They undertake to define the various alums and alumina products by a definite provision, to avoid litigation and uncertainty. The general effect of the provision is to retain the rates of the present law.

Mr. BACON. I hope the Senator from Rhode Island will speak a little louder, because we desire to hear everything; and if there is the least conversation, we can not hear anything.

Mr. ALDRICH. The classification is a very great improvement on existing law or the provisions of the House bill. It defines accurately and clearly the difference between the various articles which are covered by this paragraph. The general

effect of the provision is to maintain the rates as they are in the existing law or in the House provision. On some they are lower and on some a little higher, but to make them bear equitably upon the various products covered by the paragraph.

Mr. MONEY. Mr. President, before we go further with this bill I am led to believe that I do not correctly understand the agreement. I notice that several Senators have requested that certain paragraphs be passed over. Under the agreement that is not necessary. According to the agreement, as I understand it, when the bill proceeds and any Senator finds that something has been passed to which he objects, he has a right to go back, whether he has requested that it be passed over or not—

Mr. BEVERIDGE. That would be his right without any agreement.

Mr. MONEY (continuing). Even though the Senate should have considered the bill and passed it with the proposed paragraph.

Mr. ALDRICH. That is my understanding.

Mr. MONEY. If in the progress of the debate and consideration of the bill any Senator finds something has been passed to which he desires to recur, he can go back without filing a formal request.

Mr. ALDRICH. That is my understanding.

Mr. MONEY. I should like to know if I am correct?

Mr. BAILEY. I think there is no doubt that is true; but, perhaps, at the same time the other is a good practice. If a Senator does not want an amendment adopted, rather than to go back and move to reconsider it, he simply asks that no action be taken and that the paragraph be passed over. That is what the Senator from South Carolina did a moment ago.

Mr. BEVERIDGE. That is a matter of convenience.

Mr. MONEY. I understand that very well, but I want it understood that we are not foreclosed because nobody has requested that a paragraph be passed over. Of course a Senator has a right to signify a paragraph to which he will make objection hereafter.

Mr. BEVERIDGE. The request is made as a mere matter of convenience, but, as I understand, in practice it is the right of any Senator to do as the Senator has suggested without any agreement—absolutely his right, here or in the Senate.

Mr. GALLINGER. Mr. President, in that event a motion to reconsider would be necessary, while if it is passed over by consent there is no further action except to go back to it.

Mr. BEVERIDGE. It is his right.

Mr. GALLINGER. If it is passed over. But if the Senate has acted upon it, it is not his right, and a motion to reconsider is necessary.

Mr. BEVERIDGE. He can reach it at any time, either by amendment here or in the Senate.

Mr. GALLINGER. I will say to the Senator he could not reach it in that way.

Mr. DU PONT. Mr. President, as has been pointed out, it is the undoubted right of every Senator to go back to any amendment; yet it seems to me it would save a good deal of time to pass over amendments that are objected to, and then take them up in order, seriatim. It seems to me it would be economy of time.

Mr. DOLLIVER. Mr. President, I do not desire to delay the matter. The House for some good reason—the reason appeared good to them—very greatly reduced the duties on alumina and these alumina salts as compared with the existing law. The existing law is practically restored. I understand that these salts of alumina are widely used in the country in processes of dyeing and in the tanning of leather, and in other widely scattered industries. I, for one, should like to have some definite information, besides the reference to the desire of the appraiser or the expert in the custom-house to reclassify the schedule, why the rate of the House, which acted upon evidence taken from the industries interested and reduced these duties, should not be followed by the Senate. In other words, I should like to know something about the production of these articles, and the necessity for continuing the rates of the Dingley law, which, in some of the classifications, have been practically prohibitory.

Mr. ALDRICH. Paragraph 4?

Mr. DOLLIVER. Yes.

Mr. ALDRICH. I will ask that this paragraph go over. I am perfectly certain that the Senator from Iowa, when he gets the facts before him, will accept the action of the committee.

The VICE-PRESIDENT. Is there objection to passing over the item? No objection is heard.

The reading of the bill was resumed. The next amendment of the Committee on Finance was, on page 4, line 17, after the words "ad valorem," to strike out "tartars and lees crystals,

or partly refined argols, and tartrate of soda or potassa, or Rochelle salts, 3 cents per pound" and insert "tartars and lees crystals, or partly refined argols, containing not more than 90 per cent of bitartrate of potash, and tartrate of soda or potassa, or Rochelle salts, 3 cents per pound; containing more than 90 per cent of bitartrate of potash, 4 cents per pound," so as to make the paragraph read:

6. Argols or crude tartar or wine lees crude, 5 per cent ad valorem; tartars and lees crystals, or partly refined argols, containing not more than 90 per cent of bitartrate of potash, and tartrate of soda or potassa, or Rochelle salts, 3 cents per pound; containing more than 90 per cent of bitartrate of potash, 4 cents per pound; cream of tartar and patent tartar, 5 cents per pound.

The amendment was agreed to.

The next amendment was, on page 4, line 25, after the word "kinds," to strike out "25 per cent ad valorem" and insert "and," so as to make the paragraph read:

7. Blacking of all kinds and all creams and preparations for cleaning or polishing boots and shoes, 25 per cent ad valorem.

The amendment was agreed to.

The reading was continued to the end of paragraph 8, line 4, page 5.

Mr. BURROWS. Let paragraph 8 be passed over for the time being.

The VICE-PRESIDENT. Paragraph 8 will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 5, line 8, before the word "bone," to insert "Charcoal in any form, not specially provided for in this act;" and in the same line, before the word "char," to strike out "Bone" and insert "bone," so as to make the paragraph read:

10. Charcoal in any form, not specially provided for in this act; bone char, suitable for use in decolorizing sugars, and blood char, 20 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 5, line 12, after the word "section," to strike out "containing more than 36 per cent of anhydrous boracic acid, 1½ cents per pound; borates of lime, soda, or other borate material not otherwise provided for in this section, containing not more than 36 per cent of anhydrous boracic acid, 1 cent per pound," and insert "1½ cents per pound," so as to make the paragraph read:

11. Borax, 2 cents per pound; borates of lime, soda, or other borate material not otherwise provided for in this section, 1½ cents per pound.

The amendment was agreed to.

The next amendment was, on page 5, line 18, after the word "refined," to strike out "or" and insert "and;" and in the same line, after the word "synthetic," to insert "camphor," so as to make the paragraph read:

12. Camphor, refined, and synthetic camphor, 6 cents per pound.

The amendment was agreed to.

The next amendment was, on page 5, line 24, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section," so as to make the paragraph read:

13. Chalk, when ground, bolted, precipitated naturally or artificially, or otherwise prepared, whether in the form of cubes, blocks, sticks, or disks, or otherwise, including talcums, billiard, red, or French chalk, 1 cent per pound; manufactures of chalk not specially provided for in this section, 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 6, line 2, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section;" in line 4, before the words "ad valorem" to strike out "thirty-five" and insert "thirty;" and in line 6, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section," so as to make the paragraph read:

15. Coal-tar dyes or colors, not specially provided for in this section, 30 per cent ad valorem; all other products or preparations of coal tar, not colors or dyes and not medicinal, not specially provided for in this section, 20 per cent ad valorem.

The amendment was agreed to.

The reading was continued to the end of paragraph 16, line 8, page 6.

Mr. SMOOT. Let paragraph 16 be passed over, too.

The VICE-PRESIDENT. Paragraph 16 will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 6, line 17, before the word "cents," to strike out "fifty" and insert "sixty-five;" and in line 18, before the words "per cent," to strike out "twenty" and insert "twenty-five," so as to make the paragraph read:

17. Collodion and all compounds of pyroxylin or of other cellulose esters, whether known as celluloid or by any other name, 40-cents per pound; if in blocks, sheets, rods, tubes, or other forms, not polished, wholly or partly, and not made up into finished or partly finished articles, 45 cents per pound; if polished wholly or partly, or if in finished

or partly finished articles, of which collodion or any compound of pyroxylin or of other cellulose esters is the component material of chief value, 65 cents per pound and 25 per cent ad valorem.

Mr. DOLLIVER. I should like to inquire the reason for amending the House text in this particular. I think if it is consistent with the prosperity of the industry we should follow the House reduction which has been suggested, it would be a good thing.

Mr. ALDRICH. The Senator from Iowa will not object to stating what he knows about it.

Mr. DOLLIVER. I know nothing about it; but I know the House committee took testimony upon it, and I desire to find out something if I can.

Mr. SMOOT. I will answer briefly. The present law is 40 cents a pound. On the manufactured article we restore the present Dingley rate, for this reason: At the present time in Japan they are establishing two large factories. They have come over here and taken the very best men we had in the United States to go into Japan for the purpose of manufacturing these celluloid articles, and the evidence presented to the committee convinced it beyond a doubt that it was absolutely necessary to restore the Dingley rates in order to protect that industry. I believe that was the proper thing to do, and I have no hesitation in saying that if the rates were left as the House reported them, with the cheap labor in Japan, this business would be transferred from the United States to Japan. That is the reason why we restored the House rates on the manufactured articles.

Mr. ALDRICH. The present rate is 65 cents a pound and 25 per cent ad valorem. Under that law the importations in 1906 were \$207,000; in 1907, \$870,000; in 1908, \$1,868,000.

Now, here are a few of the reasons why the manufacturers of these goods ask to have the intervention of Congress:

Eighty per cent of all camphor imported is used in this industry. Japan controls the camphor production of the world, save about 10 per cent, which is produced in China.

All users of camphor are obliged to purchase from the Camphor Monopoly Bureau of Japan, through its selling agents for the world, Mitsui & Co.

Mitsui & Co. are building one of the pyroxylin factories at Sakai, Japan.

Two others are now approaching completion in Japan.

Japan's policy is to foster home industries.

The pyroxylin manufacturers of Japan will undoubtedly be given an advantage over all the world in the price of camphor.

Unless the duty is restored this industry will be destroyed in the United States. Those are the reasons given.

Mr. BACON. The Senator from Rhode Island has stated the amount of the imports. Can the Senator tell us what is the domestic product?

Mr. ALDRICH. The value of the total production in the United States in 1905 was \$2,600,000, as against \$870,000 imports in 1907. If there could be a stronger case for the protection of any article than this, I do not know where it is.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

Mr. BRIGGS. I ask that it may go over.

The VICE-PRESIDENT. It will go over, at the request of the Senator from New Jersey.

Mr. ALDRICH. I assume the Senator from New Jersey wants a higher rate. I suggest he make his amendment later on, and that he let this be adopted.

Mr. KEAN. Let this amendment be agreed to.

The VICE-PRESIDENT. Does the Senator from New Jersey withdraw his objection?

Mr. BRIGGS. Yes.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the Committee on Finance.

The amendment was agreed to.

The next amendment was, on page 6, after line 20, to strike out:

18½. Copperas, or sulphate of iron, fifteen hundredths of 1 cent per pound.

The amendment was agreed to.

The next amendment was, on page 6, line 24, after the word "roots," to strike out "excrecence" and "excrecences;" on page 7, line 6, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section;" in line 8, after the word "by," to strike out "refining, grinding, crushing, rasping, bleaching, steaming, or;" and in line 9, after the word "treatment," to insert "whatever," so as to make the paragraph read:

19. Drugs, such as barks, beans, berries, balsams, buds, bulbs, bulbous roots, excrecences, fruits, flowers, dried fibers, dried insects, grains, gums and gum resin, herbs, leaves, lichens, mosses, nuts, nutgalls, roots, stems, spices, vegetables, seeds (aromatic, not garden seeds), seeds of morbid growth, weeds, and woods used expressly for dyeing or tanning; any of the foregoing which are natural and uncompounded drugs and not edible, and not specially provided for in this section, but which are advanced in value or condition by any process or treatment whatever

beyond that essential to the proper packing of the drugs and the prevention of decay or deterioration pending manufacture, one-fourth of 1 cent per pound, and in addition thereto 10 per cent ad valorem: *Provided*, That no article containing alcohol, or in the preparation of which alcohol is used, shall be classified for duty under this paragraph.

The amendment was agreed to.

The next amendment was, on page 7, line 17, after the word "ethers," to strike out "oils;" and in line 19, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section," so as to make the paragraph read:

20. Ethers: Sulphuric, 8 cents per pound; spirits of nitrous ether, 20 cents per pound; fruit ethers, or essences, \$1 per pound; ethers of all kinds not specially provided for in this section, 50 cents per pound; ethyl chloride, 30 per cent ad valorem: *Provided*, That no article of this paragraph shall pay a less rate of duty than 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 8, line 1, after the word "nutgalls," to insert "aqueous;" in line 4, after the word "quebracho," to strike out "not exceeding in density 28° Baumé, one-half of 1 cent per pound; exceeding in density 28° Baumé, seven-eighths" and insert "one-half;" in line 8, after the word "bark," to insert "and of mangrove bark;" in line 10, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section;" and in line 14, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section," so as to make the paragraph read:

21. Extracts and decoctions of logwood and other dyewoods, and extracts of bark, such as are commonly used for dyeing or tanning, not specially provided for in this section, seven-eighths of 1 cent per pound; extract of nutgalls, aqueous, one-fourth of 1 cent per pound and 10 per cent ad valorem; extract of Persian berries, 20 per cent ad valorem; chlorophyll, 20 per cent ad valorem; extracts of quebracho, one-half of 1 cent per pound; extracts of hemlock bark and of mangrove bark, one-half of 1 cent per pound; extracts of sumac, and of woods other than dyewoods, not specially provided for in this section, five-eighths of 1 cent per pound; all extracts of vegetable origin suitable for dyeing, coloring, staining, or tanning, not containing alcohol and not medicinal, and not specially provided for in this section, 15 per cent ad valorem.

Mr. BRANDEGEE. I ask that the whole paragraph be passed over without action.

The VICE-PRESIDENT. The paragraph will be passed over.

The next amendment was, on page 8, line 22, before the words "per cent," to strike out "twenty-five" and insert "2½ cents per pound and fifteen;" in line 25, after the word "sheets," to strike out "or otherwise, but not made up into articles, and manufactures of gelatin," and insert "emulsions, or any other form, and all manufactures of gelatin, or of which gelatin is the component material of chief value;" and on page 9, line 4, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section," so as to make the paragraph read:

22. Gelatin, edible, and glue, isinglass or fish glue, including agar-agar or Japanese isinglass, and all fish bladders and fish sounds other than crude or dried or salted for preservation only, valued at not above 10 cents per pound, 2½ cents per pound; valued at above 10 cents per pound and not above 35 cents per pound, 2½ cents per pound and 15 per cent ad valorem; valued above 35 cents per pound, 15 cents per pound and 20 per cent ad valorem; other gelatin in sheets, emulsions, or any other form, and all manufactures of gelatin, or of which gelatin is the component material of chief value, not specially provided for in this section, 35 per cent ad valorem; glue size, 25 per cent ad valorem.

Mr. ALDRICH. I ask that the first amendment be passed over.

The VICE-PRESIDENT. The amendment will be passed over.

Mr. KEAN. Let the whole paragraph be passed over.

The VICE-PRESIDENT. Shall the paragraph or simply the amendment be passed over?

Mr. ALDRICH. The whole paragraph, perhaps, had best be passed over.

The VICE-PRESIDENT. It will be passed over.

The next amendment was, on page 9, line 17, after the words "per pound" where they occur the second time, to insert "carbonate of magnesia, technical, not medicinal, 25 per cent ad valorem," so as to make the paragraph read:

29. Magnesia and carbonate of, medicinal, 3 cents per pound; calcined, medicinal, 7 cents per pound; carbonate of magnesia, technical, not medicinal, 25 per cent ad valorem; sulphate of, or Epsom salts, one-fifth of 1 cent per pound.

The amendment was agreed to.

The next amendment was, on page 10, line 5, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section," so as to make the paragraph read:

30. Alizarin assistant, sulpho-ricinoleic acid, and ricinoleic acid, and soaps containing castor oil, any of the foregoing in whatever form, in the manufacture of which 50 per cent or more of castor oil is used, 30 cents per gallon; in the manufacture of which less than 50 per cent of castor oil is used, 15 cents per gallon; all other alizarin assistants and all soluble greases used in processes of softening, dyeing, or finishing, not specially provided for in this section, 30 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 10, after line 15, to insert as a new paragraph the following:

35½. Nut oil or oil of nuts, 8 cents per gallon.

Mr. KEAN. Let this paragraph go over.

The VICE-PRESIDENT. It will be passed over.

The next amendment was, on page 10, line 17, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section," so as to make the paragraph read:

36. Olive oil, not specially provided for in this section, 40 cents per gallon; in bottles, jars, kegs, tins, or other packages, containing less than 5 gallons each, 50 cents per gallon.

The amendment was agreed to.

The next amendment was, on page 10, line 23, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section," so as to make the paragraph read:

38. Seal, herring, whale, and other fish oil, not specially provided for in this section, 8 cents per gallon.

The amendment was agreed to.

The next amendment was, on page 11, line 3, after the word "composition," to insert "dried, powdered, or otherwise;" in line 6, after the word "alkaloids," to strike out "or salts of opium" and insert "of opium, and salts and esters thereof;" and in line 8, before the words "per ounce," to insert "and fifty cents," so as to read:

39. Opium, crude or unmanufactured, and not adulterated, containing 9 per cent and over of morphia, \$1.50 per pound; opium of the same composition, dried, powdered, or otherwise advanced beyond the condition of crude or unmanufactured, \$2 per pound; morphia or morphine, sulphate of, and all alkaloids of opium, and salts and esters thereof, \$1.50 per ounce; aqueous extract of opium, for medicinal uses, and tincture of, as laudanum, and other liquid preparations of opium, not specially provided for in this section, 40 per cent ad valorem; opium containing less than 9 per cent of morphia, \$6 per pound; but preparations of opium deposited in bonded warehouses shall not be removed therefrom without payment of duties, and such duties shall not be refunded.

The amendment was agreed to.

The next amendment was, on page 11, after line 20, to strike out the subhead "Paints, colors, and varnishes."

The amendment was agreed to.

The next amendment was, on page 11, line 23, before the word "cents," to strike out "one dollar and fifty" and insert "seventy-five," so as to make the paragraph read:

40. Baryta, sulphate of, or barytes, including barytes earth, unmanufactured, 75 cents per ton; manufactured, \$5.25 per ton.

Mr. CLAY. I ask the Senator from Rhode Island to allow this paragraph to go over. I have some facts which I desire to present regarding it.

The VICE-PRESIDENT. This paragraph will be passed over.

The next amendment was, on page 12, line 5, after the word "white," to strike out "or" and insert "and;" and in the same line, after the word "lime," to strike out "three-eighths" and insert "one-half," so as to make the paragraph read:

42. Blanc-fixe, or artificial sulphate of barytes, and satin white, and artificial sulphate of lime, one-half of 1 cent per pound.

Mr. BRANDEGEE. I ask that the paragraph be passed over.

The VICE-PRESIDENT. It will be passed over.

The next amendment was, on page 12, line 14, before the word "cents," to insert "and one-half," so as to make the paragraph read:

44. Chrome yellow, chrome green, and all other chromium colors in the manufacture of which lead and bichromate of potash or soda are used, in pulp, dry, or ground in or mixed with oil or water, 4½ cents per pound.

The amendment was agreed to.

The next amendment was, on page 12, line 16, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section," so as to make the paragraph read:

45. Ocher and ochery earths, sienna and sienna earths, and umber and umber earths, not specially provided for in this section, when crude or not powdered, washed, or pulverized, one-eighth of 1 cent per pound; if powdered, washed, or pulverized, three-eighths of 1 cent per pound; if ground in oil or water, 1 cent per pound.

The amendment was agreed to.

The next amendment was, on page 12, line 23, before the word "cents," to strike out "two and seven-eighths" and insert "three and three-eighths," so as to make the paragraph read:

46. Orange mineral, 3½ cents per pound.

Mr. DOLLIVER. I will ask that the paragraph be passed over.

The VICE-PRESIDENT. It will be passed over.

The next amendment was, on page 12, line 24, before the word "cents," to strike out "three-eighths" and insert "seven-eighths," so as to make the paragraph read:

47. Red lead, 2½ cents per pound.

Mr. DOLLIVER. I make the same request as to this paragraph.

The VICE-PRESIDENT. The paragraph will be passed over.

The next amendment was, on page 13, line 3, before the word "cents," to strike out "and three-fourths," so as to make the paragraph read:

48. Ultramarine blue, whether dry, in pulp, or mixed with water, and wash blue containing ultramarine, 3 cents per pound.

The amendment was agreed to.

The next amendment was, on page 13, line 4, after the word "japan," to strike out "25 per cent ad valorem;" and in line 5, after the word "varnishes," to strike out "25 per cent ad valorem" and insert "and," so as to make the paragraph read:

49. Varnishes, including so-called gold size or japan, spirit varnishes, and enamel paints made with varnish, 35 per cent ad valorem.

Mr. BURROWS. Let the paragraph be passed over.

The VICE-PRESIDENT. It will be passed over.

The next amendment was, on page 13, line 11, before the word "cents," to strike out "four and one-half" and insert "five," so as to make the paragraph read:

50. Vermillion reds, containing quicksilver, dry or ground in oil or water, 10 cents per pound; when not containing quicksilver but made of lead or containing lead, 5 cents per pound.

Mr. DOLLIVER. I make the same request as to this paragraph.

The VICE-PRESIDENT. The paragraph will be passed over.

The next amendment was, on page 13, line 14, before the word "cents," to strike out "three-eighths" and insert "seven-eighths," so as to make the paragraph read:

51. White lead, and white pigment containing lead, dry or in pulp, or ground or mixed with oil, $2\frac{3}{4}$ cents per pound.

Mr. LA FOLLETTE. I ask that paragraph 51 be passed over.

The VICE-PRESIDENT. It will be passed over.

The next amendment was, on page 13, line 15, after the word "dry," to strike out "one-eighth" and insert "one-fourth;" and in line 16, after the word "putty," to strike out "one-half" and insert "three-fourths," so as to make the paragraph read:

52. Whiting and Paris white, dry, one-fourth of 1 cent per pound; ground in oil, or putty, three-fourths of 1 cent per pound.

Mr. BEVERIDGE. I wish to ask any member of the committee why it was that the Senate committee changed the rates in paragraph 52?

Mr. ALDRICH. Because the committee had the very best evidence for thinking that the House rates are too low.

Mr. BEVERIDGE. I ask that the paragraph be passed over for the present.

The VICE-PRESIDENT. Paragraph 52 will be passed over.

The Secretary read the next paragraph, as follows:

53. Zinc, oxide of, and white pigment containing zinc, but not containing lead, dry, 1 cent per pound; ground in oil, $1\frac{1}{2}$ cents per pound; sulfid of zinc white, or white sulphide of zinc, 13 cents per pound; chloride of zinc and sulphate of zinc, 1 cent per pound.

Mr. CULLOM. Let paragraph 53 also be passed over.

Mr. KEAN. Yes; let paragraph 53 be passed over.

The VICE-PRESIDENT. Paragraph 53 will be passed over.

The next amendment was, on page 13, line 25, after the word "powder," to insert "driers for paint;" on page 14, line 4, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section;" and in line 5, after the words "ad valorem," to insert "all glazes, fluxes, enamels, and colors used only in the manufacture of ceramic, enameled, and glass articles, 30 per cent ad valorem," so as to make the paragraph read:

54. All paints, colors, pigments, including oxide of iron pigment and oxide of iron polishing powder, driers for paint, stains, lakes, crayons, including charcoal crayons or fusains, smalts and frostings, whether crude or dry or mixed, or ground with water or oil or with solutions other than oil, not otherwise specially provided for in this section, 30 per cent ad valorem; all glazes, fluxes, enamels, and colors used only in the manufacture of ceramic, enameled, and glass articles, 30 per cent ad valorem; all paints, colors, and pigments, commonly known as artists' paints or colors, whether in tubes, pans, cakes or other forms, 30 per cent ad valorem.

The amendment was agreed to.

Mr. BACON. I am well aware of the fact, of course, that by reference to the Statistical Abstract and all that one can get the desired information, but I should like to inquire of the chairman of the committee whether the committee has had put in convenient form such information as will enable us to judge as we go on of the propriety of these changes. For instance, I should like to know, when a particular article is under consideration, what has been the amount of the importation, and what has been the fact with reference to the revenue which has been derived from it. We have nothing in the world to guide us, and must just take it on faith. Of course those of us who are not on the committee have had no opportunity to acquaint ourselves with this detail; and it is only by having some table which would show, as each article is reached, what is the

amount of the product in this country, the amount of importation, and the amount of revenue derived from it, that we can judge whether or not the proposed changes are proper.

Mr. ALDRICH. What is the particular item to which the Senator refers?

Mr. BACON. To no item in particular, but I make the inquiry more with reference to my guidance in the future than with reference to any particular item.

Mr. ALDRICH. In the paragraph just passed over, the articles which are named in the paragraph are now coming in at a much less rate of duty than that imposed by this provision, and they are coming in improperly classified. Many of them contain leads and very valuable products, and it is important to have a correct classification.

As to lead, as we passed over 10 or 15 items of lead products, I ought, perhaps, to make a general explanation. The existing law puts a duty of $1\frac{1}{2}$ cents a pound on lead ore. The House maintained that rate, but reduced the duty upon all products from one-half to three-fourths of a cent a pound below the existing law. The result of this legislation would be, if it should become a law, to have all the lead that is used in the United States imported in manufactured form and destroy the business of the lead producers of the United States.

Mr. BACON. I desire to say that since I made the inquiry of the Senator from Rhode Island my attention has been called to the estimated revenue, which I did not have before me at the time. It does not show, however, as suggested to me by the Senator from Nevada [Mr. NEWLANDS], the domestic products, which it is important for us to know, it seems to me.

Mr. ALDRICH. If the Senator will send for the document entitled "Imports, Exports, and Domestic Manufactures," arranged according to paragraphs of tariff law of 1897, compiled by the Director of the Census for the Committee on Ways and Means of the House of Representatives, he will get the information he desires.

Mr. NEWLANDS. The bill is being read so rapidly that it is really impossible to look over the different items in the estimate. I will state to the Senator from Georgia that the chairman of the committee has agreed to produce at an early date a table showing side by side with the importations the production of similar articles in this country.

The VICE-PRESIDENT. The Secretary will continue the reading of the bill.

The reading of the bill was continued.

The next amendment was, on page 14, line 14, before the word "cents," to strike out "two and seven-eighths" and insert "three and one-fourth;" in line 15, before the word "cents," to strike out "one and seven-eighths" and insert "two and one-fourth;" in line 16, before the word "cents," to strike out "one-eighth" and insert "one-half;" and in line 17, before the word "cents," to strike out "one-fourth" and insert "three-fourths," so as to make the paragraph read:

56. Lead: Acetate of, white, $3\frac{1}{2}$ cents per pound; brown, gray, or yellow, $2\frac{1}{2}$ cents per pound; nitrate of, $2\frac{1}{2}$ cents per pound; litharge, $2\frac{1}{2}$ cents per pound.

Mr. LA FOLLETTE. I ask that the paragraph be passed over.

The VICE-PRESIDENT. It will be passed over.

The next amendment was, on page 14, after line 18, to strike out the subhead "Potash."

The amendment was agreed to.

The next amendment was, on page 14, line 20, after the word "of," to insert "potash;" and in line 21, before the word "cents," to strike out "one and one-half" and insert "two and one-fourth," so as to make the paragraph read:

58. Bichromate and chromate of potash, $2\frac{1}{2}$ cents per pound.

Mr. DU PONT. I ask that the paragraph be passed over.

The VICE-PRESIDENT. It will be passed over.

The next amendment was, on page 14, line 22, after the word "of," to insert "potash," so as to make the paragraph read:

59. Caustic, or hydrate of potash, refined, in sticks or rolls, 1 cent per pound; chlorate of, 2 cents per pound.

The amendment was agreed to.

The next amendment was, on page 14, line 24, after the word "of," to insert "potash," so as to make the paragraph read:

60. Hydriodate, iodide, and iodate of potash, 25 cents per pound.

The amendment was agreed to.

The next amendment was, at the top of page 15, to strike out the following paragraph:

61. Nitrate of, or saltpeter, refined, one-half of 1 cent per pound.

Mr. KEAN. Let that paragraph go over.

Mr. DOLLIVER. I observe that that article goes back to the free list. It appears to be dutiable under the existing law. I should like to inquire on what theory it goes on the free list?

Mr. ALDRICH. The Senator from New Jersey has asked to have it passed over. Otherwise I would be very glad to state the reason why.

The VICE-PRESIDENT. The paragraph will be passed over. The Secretary read paragraph 62.

Mr. CRAWFORD. We are getting a little confused here. What was done with paragraph 61?

The VICE-PRESIDENT. It was passed over.

Mr. BACON. I should like to make an inquiry of the Senator from Rhode Island. Where there is no amendment by the Senate Committee of the House provision, and where in the House provision there has been eliminated a certain duty—in other words, it has been put on the free list—at what point in the stage of the consideration of the bill will it come up? Will it come up properly in the consideration of the paragraph from which it has been stricken, or will it come up when we come to consider the free list?

Mr. ALDRICH. When it is reached in the free list.

Mr. BACON. I will state to the Senator that my inquiry is suggested by the fact that I think certain oils, including cotton-seed oil, which are now dutiable at the rate of 4 cents a gallon, I think, have been transferred to the free list.

Mr. ALDRICH. Not by the Senate bill.

Mr. BACON. There is no such amendment proposed by the Senate committee.

Mr. ALDRICH. Not by the Senate bill.

Mr. BACON. I will call the attention of the Senator to it. I may misunderstand it. There is no amendment by the Senate committee to the House provision—in other words, the Senate takes the bill as it comes from the House—but underneath there is a note stating that these oils have been transferred to the free list.

Mr. ALDRICH. If the Senator will turn to paragraph 637 on page 212, he will find that the Senate committee struck croton oil and cotton-seed oil from the free list. They would then go under the paragraph providing for distilled oils and expressed oils on the dutiable list at 25 per cent.

Mr. BACON. They have been put in at a different place from where they are under the existing law?

Mr. ALDRICH. Yes; they have been stricken from the free list and go into the general paragraph for all distilled and expressed oils at 25 per cent ad valorem. In other words, cotton-seed oil, under the provision of the bill before the Senate, would pay a duty of 25 per cent ad valorem.

Mr. McLAURIN. What paragraph is that?

The VICE-PRESIDENT. It is on page 212.

Mr. LODGE. It is omitted from the free list of oils at page 212, paragraph 637. That throws it into the basket clause for expressed oils at a duty of 25 per cent.

Mr. ALDRICH. It is paragraph 3 of the Senate print of the bill.

Mr. McLAURIN. I have here page 212, and I find paragraph 637.

Mr. ALDRICH. Page 212, paragraph 637. Look at the top of the page.

Mr. McLAURIN. I understand it now.

Mr. ALDRICH. There is no doubt whatever but that under the Senate committee's bill cotton-seed oil will pay a duty of 25 per cent ad valorem. Under the bill as passed by the House it was on the free list.

Mr. BEVERIDGE. May I ask the Senator from Georgia a question that is pertinent right here? I understand the Senator from Rhode Island to say that the House placed cotton-seed oil on the free list.

Mr. ALDRICH. It did.

Mr. BEVERIDGE. And the Senate committee fixes a certain duty.

Mr. ALDRICH. Twenty-five per cent ad valorem.

Mr. BEVERIDGE. Which does the Senator from Georgia recommend?

Mr. BACON. I am sure I do not know. I want some information from the committee. I do not know whether there is any importation of it. I do not think there is.

Mr. BEVERIDGE. I understand the Senator does not know at this time whether he is in favor of free cotton-seed oil or not.

Mr. BACON. It depends a good deal on circumstances. There are circumstances under which I would not favor it. If there is no cotton-seed oil imported, I see no reason why it should not be on the free list.

The next amendment was, on page 15, line 3, after the word "of," to insert "potash;" and in line 5, after the words "ad

valorem," to strike out "cyanide of sodium, 12½ per cent ad valorem," so as to make the paragraph read:

62. Prussiate of potash, red, 8 cents per pound; yellow, 4 cents per pound; cyanide of potassium, 12½ per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 15, after line 6, to strike out the subhead "Preparations."

The amendment was agreed to.

The next amendment was, on page 15, line 10, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section;" in line 15, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section;" in line 19, after the word "whether," to insert "or not;" in line 20, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section;" in line 21, before the word "and," to strike out "or not," and on page 16, line 2, after the word "by," to strike out "sections 1 or 2 of this act" and insert "this section," so as to make the paragraph read:

63. Medicinal preparations containing alcohol or in the preparation of which alcohol is used, not specially provided for in this section, 55 cents per pound, but in no case shall the same pay less than 25 per cent ad valorem; calomel and other mercurial medicinal preparations, 35 per cent ad valorem; all other medicinal preparations not specially provided for in this section, 25 per cent ad valorem: *Provided*, That all alkaloids, balsams, chemicals, drugs, extracts, medicinal substances, oils, salts, or similar substances whatever, used for medicinal purposes, whether or not specifically provided for in this section, and whether on the dutiable list or the free list, if containing alcohol, or in the preparation of which alcohol is used, or if imported in capsules, pills, tablets, lozenges, troches, or similar forms, or if ready for the use of the apothecary or the physician, or requiring only a solvent or a diluent to be ready for such use, shall be dutiable at not less than the rate or rates imposed by this section on medicinal preparations.

The amendment was agreed to.

Mr. ALDRICH. I have information now in regard to cotton-seed oil, and I think I will bring it to the attention of the Senator from Georgia.

The importations of cotton-seed oil for the year 1908 were 202 gallons, valued at \$81, upon which a duty of \$8.38 was collected.

Mr. BACON. I think it had better be put on the free list, then.

Mr. ALDRICH. Does the Senator suggest that it go on the free list?

Mr. BACON. I will wait until we get to it, though I see no objection to its going there.

Mr. ALDRICH. Every man in the South who produces cotton or who produces cotton-seed oil is extremely anxious that it shall not go on the free list. It was told the committee—

Mr. BEVERIDGE. How much was imported?

Mr. ALDRICH. Two hundred and two gallons.

Mr. BEVERIDGE. Will the Senator let me put a question to the Senator from Georgia?

Mr. ALDRICH. Certainly.

Mr. BEVERIDGE. The Senator from Georgia says—

Mr. BACON. I am not making any suggestion in regard to it, except from the practical standpoint of those who are interested in it.

Mr. BEVERIDGE. The Senator from Georgia said in view of the fact that there were only 202 gallons imported he was willing that it should go on the free list. I will ask him if 2,000,000 gallons were imported, would he be willing to have it go on the free list?

Mr. BACON. I would not, because we would get a revenue from it.

Mr. BEVERIDGE. And because it is produced in Georgia.

Mr. ALDRICH. It was stated to the committee that in view of the increasing production of cotton in other parts of the world producing cotton-seed oil, if the duty were removed there would be very large importations of cotton-seed oil, which would largely reduce the price in this country.

If the Senators upon the other side of the Chamber, who are better acquainted with this industry than I am, desire to have it go on the free list, I presume that they could secure the acquiescence of Senators sitting upon this side.

Mr. SIMMONS. Mr. President, I have just come into the Chamber, and I should like to inquire of the Senator from Rhode Island if it is proposed to act upon this amendment at this time?

Mr. ALDRICH. It has already been acted upon.

Mr. SIMMONS. By the Senate?

Mr. ALDRICH. Yes.

Mr. BEVERIDGE. Mr. President—

The VICE-PRESIDENT. The Senator from North Carolina [Mr. SIMMONS] has the floor.

Mr. SIMMONS. I do not understand that the Senate has adopted the amendment.

Mr. ALDRICH. The Senate has adopted the third paragraph in this bill, which imposes 25 per cent ad valorem on all expressed and distilled oils not otherwise provided for. Of course, we have not yet acted upon the free list, but so far as the committee is concerned, we have already stricken it from the free list.

Mr. SIMMONS. I have just come in, and I do not understand exactly the situation of it; but I did not understand that it was proposed to act upon an amendment specifically that provides that the duty on cotton-seed oil—

Mr. ALDRICH. Yes; that has been acted upon, but not the amendment which strikes it from the free list.

Mr. BEVERIDGE. Mr. President, I think that a great deal of time can be saved, in view of the statements made by the Senator from Georgia [Mr. BACON] and the Senator from Rhode Island [Mr. ALDRICH], if it be now agreed—I am sure this side of the Chamber will agree to it—that cotton-seed oil shall go upon the free list.

Mr. SIMMONS. Mr. President—

The VICE-PRESIDENT. Does the Senator from Indiana yield to the Senator from North Carolina?

Mr. BEVERIDGE. Certainly.

Mr. SIMMONS. I hope there will be no disposition to act upon that. I desire to submit some remarks on that particular item. I do not hesitate to say that, so far as I am concerned, I am not in favor of putting it on the free list.

Mr. BACON. The Senator from Rhode Island [Mr. ALDRICH] and the Senator from Indiana [Mr. BEVERIDGE] both indicate that for one to be in favor of any rate of duty would be rather a committal, I presume, to the doctrine of protection. I certainly do not admit the correctness of any such proposition; and I want to say to Senators on the other side that I am in favor generally of the imposition of proper rates of duty on almost all articles except those of prime necessity, essential to the living of those who can not afford to pay any duty.

Mr. BEVERIDGE. Especially those produced in Georgia. Human nature is everywhere the same.

Mr. BACON. There is no "especially" about it; no more "especially" in Georgia than in Indiana.

Mr. BEVERIDGE. Not at all. I am not insisting upon that; but I am rather serious; and in view of what the Senator from Rhode Island said, it seems to me we might eliminate a great deal of debate, in view of what the Senator from Georgia said, by agreeing now that cotton-seed oil go on the free list.

Mr. NEWLANDS. Mr. President—

Mr. McLAURIN. Will the Senator from Indiana allow me to ask him a question?

The VICE-PRESIDENT. The Senator from Nevada [Mr. NEWLANDS] has the floor.

Mr. NEWLANDS. I should like to ask the chairman of the Committee on Finance whether he regards this duty of 25 per cent upon cotton-seed oil as a duty for revenue or a duty for protection?

Mr. ALDRICH. A duty for protection pure and simple, and for no other purpose.

Mr. NEWLANDS. Do I understand, then, that this duty will absolutely prohibit the importation of cotton-seed oil from other countries?

Mr. ALDRICH. Did the Senator hear the statistics which I read upon the subject?

Mr. NEWLANDS. I did not. However, I understood the Senator to say that the production of cotton in other parts of the world was increasing and that some of the people of the South feared that cotton-seed oil would come into this country and be used. The question I address to the Senator, however, is whether that duty is intended to be prohibitory or whether it is intended to be productive of revenue?

Mr. ALDRICH. Mr. President, the Senator from Nevada seems to be interested at times in production in this country. There was produced in 1905 in the United States 133,817,772 gallons of cotton-seed oil, valued at \$31,341,912. The present duty upon cotton-seed oil is 4 cents per gallon, which is prohibitory. The duty now suggested is 25 per cent ad valorem, which is put on this article as a protective duty to prevent the importation into the United States of cotton-seed oil produced in Egypt or in any other country that is now producing cotton, and which, so far as I am concerned, I will defend against all comers. I think it is an important American industry. It is an industry which should be protected, and, so far as I know, the producers of cotton-seed oil in the South desire to have it protected.

Mr. TILLMAN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Nevada yield to the Senator from South Carolina?

Mr. NEWLANDS. After I give point to one question to the Senator from Rhode Island. I inquired of the Senator whether he regarded this duty of 25 per cent as absolutely prohibitory of importations. I understood him to state that he did. I would pursue that inquiry by asking how it is that in many cases a duty of 100 per cent is imposed, when a duty of 25 per cent in this case is absolutely prohibitory of importations? Is it the purpose of the committee to always impose such a duty as will be prohibitory of both importations and revenue?

Mr. ALDRICH. The Senator from Nevada, I assume, does not seriously expect me to follow him in the flights of his imagination as to the four or five or ten thousand articles that are included in this bill.

Mr. NEWLANDS. The Senator recognizes the fact, however, I believe, that there are duties as high as 100 per cent and some in excess of 100 per cent in this bill. Is not that a fact?

Mr. ALDRICH. I think that borax and some of the other products of Nevada are protected to that extent under the existing law. [Laughter.] We have, however, reduced the protection a little in this bill.

Mr. NEWLANDS. I will state to the Senator from Rhode Island that I will gladly cooperate with him in reducing any duty that equals 100 per cent. I simply wish to inquire how it is that any duty is 100 per cent, unless the purpose is to absolutely prohibit the importation of the article covered by the duty? Is there any such difference between the wages and the labor cost in this country as compared with other countries producing any of these articles as would warrant the imposition of a duty of 100 per cent in order to accomplish the protection of that article?

Mr. SMOOT. Mr. President—

The VICE-PRESIDENT. Does the Senator from Nevada yield to the Senator from Utah?

Mr. NEWLANDS. Certainly.

Mr. SMOOT. In answer to the Senator from Nevada, I wish to say, that as to a great many articles manufactured, the difference in wages between the United States and Germany and other foreign countries would justify the imposition of a duty of 100 per cent. It is not so as to by-products, such as oil from cotton seed, because there is very little labor in that; but it is so in the case of highly manufactured articles of a cheap product, manufactured perhaps into needles, watch springs, or something of that kind, or even lithographing work. In such cases the wages in this country to-day are four times greater than those in Germany.

Mr. NEWLANDS. And the Senator—

Mr. ALDRICH. If the Senator from Nevada will permit me, I should like to correct my statement about borax. I find that I was mistaken in the rate of importations for 1908. The rate was 144.78 per cent, and the year before it was 150.76 per cent.

Mr. NEWLANDS. I will state to the Senator from Rhode Island that I regard that duty as entirely too high, and I will gladly cooperate with him in its reduction.

Mr. ALDRICH. We have reduced it in this bill.

Mr. NEWLANDS. I simply wish to get at the principle which controls the Finance Committee in the imposition of these duties. I find that in many cases the duty is placed at 25 per cent, and that that is prohibitory, and in others it is placed at 100 per cent, and it is not prohibitory.

Mr. ALDRICH. I will answer the Senator from Nevada promptly. The principle upon which the committee proceeded in the preparation of this bill was to extend a proper protection to every American industry, whether in South Carolina, in Nevada, or elsewhere.

Mr. BEVERIDGE. That needed it.

Mr. ALDRICH. That needed it.

Mr. NEWLANDS. But the intention of the Senator in some cases is to make that duty absolutely prohibitory and, in other cases a producer of revenue. I should like to know the reason for the distinction upon these commodities.

Mr. ALDRICH. There is no such purpose of the committee, and no such purpose is expressed in the bill.

Mr. NEWLANDS. I understood the Senator from Rhode Island to state that the duty on cotton-seed oil was prohibitory of importations. I therefore assumed that it was the purpose of the committee to make it prohibitory.

Mr. ALDRICH. Mr. President, there are many duties imposed by this bill the effect of which has been to stop importations. The reduction of that duty, even to the extent of 10 per

cent, might bring about a state of affairs which would destroy every American industry. I do not mean to say that the cotton-seed oil industry would be destroyed if the duty were reduced below 25 per cent, but I see no reason—and I trust the Senators upon the other side see no reason—why we should make an experiment and reduce the duty on cotton-seed oil below the protective rate.

Mr. TILLMAN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Nevada yield to the Senator from South Carolina?

Mr. NEWLANDS. I yield, but I should like to hold the floor.

Mr. TILLMAN. The Senator may hold the floor. I want to say that I know a little something about cotton and cotton seed and cotton-seed oil, and that any pretense that there is any protection in any duty whatever on it is a humbug and a falsehood. We produced this year over 13,000,000 bales of cotton, and the amount of seed which goes into cotton-seed oil—I am not prepared at the moment to say how much—is very great, and from this quantity of seed the oil is pressed and largely exported; but the cotton-seed oil producers do not want any protection on it.

Mr. ALDRICH. I dislike very much to repeat a private conversation; but I think that what I am about to allude to is so pertinent that the Senator from South Carolina will forgive me if I mention it.

Mr. TILLMAN. Surely.

Mr. ALDRICH. The Senator from South Carolina brought to me three gentlemen yesterday or to-day—

Mr. TILLMAN. Yes.

Mr. ALDRICH. To talk to me about the rate on some oil products.

Mr. TILLMAN. No; they wanted to talk to you about a rate on oleostearin, which is a by-product of the slaughter of beef cattle, and is used in the manufacture—

Mr. ALDRICH. It is an oil product.

Mr. TILLMAN. It is used in the manufacture of compound lard; and the cotton-seed oil people want it to go on the free list.

Mr. ALDRICH. I understand all that; but one of those gentlemen represented the largest producers of cotton-seed oil in the United States; and we have on record with the Committee on Finance the strongest possible protest from two of the gentlemen that the Senator presented to me against reducing the duty on cotton-seed oil or putting it on the free list.

Mr. TILLMAN. That may be. It is because they, along with others of the South, imagine that there is some protection to American industry—for instance, in the manufacture of cotton. We have got factories in South Carolina whose product was almost wholly exported to China until the rebellion over there several years ago, which disrupted the commercial relationship; and those people were in favor of a protective duty on cotton, but the people of the South do not want it.

Mr. ALDRICH. Mr. President, I wanted to bring to the attention of the Senator from South Carolina by witnesses of his own production the fact that the producers of cotton-seed oil in the South do object to having it put upon the free list and insist upon having a duty imposed upon it.

Mr. TILLMAN. That may be, but I do not represent any such people. [Laughter.]

Mr. NEWLANDS. Mr. President, I would ask the Senator from Rhode Island whenever it appears that under a duty imposed in the existing Dingley law there are no importations whatever of the article upon which the duty is imposed, whether he would favor a reduction of such a duty?

Mr. ALDRICH. Mr. President, I know that the Senator from Nevada is an intelligent man, and I know that he understands as well as I do that whether there were any importations in a certain year has nothing whatever to do with the question whether a rate is protective or not. Circumstances and conditions might be such that a particular rate would be prohibitive one year or one month, and another year or another month, under some other conditions, there might be large importations.

Mr. NEWLANDS. Suppose for a series of years it should appear that there were no importations.

Mr. ALDRICH. That has not appeared for a series of years, and I suggest to the Senator—

Mr. NEWLANDS. Will the Senator say that that has not appeared with reference to any of these duties?

Mr. ALDRICH. I am talking about cotton-seed oil.

Mr. NEWLANDS. I am not talking about cotton-seed oil; I am talking generally.

Mr. ALDRICH. What is the Senator talking about, if he is willing to enlighten us?

Mr. NEWLANDS. I did not hear what the Senator said.

Mr. ALDRICH. I asked the Senator what particular thing he is talking about, if it is not cotton-seed oil?

Mr. NEWLANDS. I am talking about the principle that controls regarding the adjustment of these duties.

Mr. ALDRICH. Mr. President, the Senator must be aware that what would be a fair ad valorem duty upon one article might be absolutely unfair as to another article. There is no mathematical level to be assumed in regard to these matters. On some articles rates of 10 per cent are sufficiently protective and in other cases 95 per cent might be required. The schedules are not made upon any mathematical basis, and they can not be made upon any mathematical basis at all. There is no such intention or purpose on anybody's part.

Mr. NEWLANDS. Mr. President, the Senator has not answered my inquiry, and that is, whether, if it should appear that for a given year or for a series of years there had been no importations of an article upon which a duty was imposed, he would deem it wise to make a reduction of that duty?

Mr. ALDRICH. I might be inclined to make a reduction of that duty, but I should first take into consideration all the surrounding conditions and circumstances.

Mr. NEWLANDS. Let me ask the Senator another question. If it should appear that during a series of years upon numerous articles covered by this tariff the importations had not equaled one-tenth of the total production of this country or of its consumption, and that the duty was over 100 per cent, would he not deem it wise to make a reduction in that duty? I am curious to know what principle controls. The Senator says this is not reached by any mathematical process. What process does control, except the influence of the particular interests that are affected by these duties?

Mr. CARTER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Nevada yield to the Senator from Montana?

Mr. NEWLANDS. I yield to the Senator.

Mr. CARTER. Mr. President, I desire to ask the Senator whether, if diamonds were not imported to the extent of over 10 per cent of the home production, he would regard it as important to reduce the duty on diamonds; or if, in his judgment, the importations of champagne were not quite sufficient to justify the imposition of so great a duty, would he believe it wise to reduce the duty on champagne, and thereby reduce the revenues and encourage the importation of that article?

I take it that the Senator omits to consider the suggestion, so oft repeated by the Senator from Rhode Island, to the effect that each duty must be considered with relation to all the circumstances and conditions surrounding the article imported or produced. I take it for granted that there is no pretense that this country produces a champagne which will at all compete with the French brands of champagne, and yet no man can be heard to insist upon a reduction of the duty on imported champagne. Let those with champagne appetites pay the duty imposed by the bill, and I doubt if it is high enough now.

So with diamonds, Mr. President. We produce very few diamonds in this country. A great many people insist upon wearing diamonds, but I take it that the Senator from Nevada will not undertake to encourage the importation of diamonds by reducing the duty on diamonds. The contrary might be the effect with reference to cotton-seed oil or with reference to some article of food or some article in common use amongst the people in the line of production.

I think the Senator from Rhode Island has made it clearly manifest that the duty upon each article should be considered in relation to all the facts and circumstances connected with the production and consumption of that particular article, and that therefore no general principle can be announced that will obtain with unvarying regularity with reference to all classes and conditions of importations. It appears from the question propounded by the Senator from Nevada that he would have the Senator from Rhode Island announce a certain basic principle upon which the committee would act, and ask the Senator to act, with reference to every pound or ton of merchandise imported into the country, without any reference whatever to the quality, the uses to which the article is put, the extent to which it enters into competition with American products, or the benefit or use the article might be to the country at large.

Mr. NEWLANDS. Mr. President, in answer to the Senator from Montana, I will say that he instances diamonds, a commodity which is not produced in this country; and what he says with reference to that article has no relation whatever to commodities that are produced in this country and that are also imported from foreign countries.

I quite agree with the Senator that if the principle of protection to American industries is to control, and the exclusion,

either entire or partial, of foreign products entering into competition with them, it is necessary to take into consideration the circumstances surrounding the production of each article, both abroad and at home. One of the faults that I have to find with the statistics furnished us here is that while we have a statement of the amount of each commodity imported, we have not a statement of the production in this country of each article upon which a duty is placed. That, I understand from the Senator from Rhode Island, will be remedied.

So far as a revenue duty is concerned, the task is an easy one. It is to impose a duty that will yield revenue and so to distribute and fairly apportion the duties upon the different commodities as not unduly to discriminate in favor of or against either one or the other, not to have in view a prohibitive duty upon one article and a very low duty upon another.

But, with reference to protection, my inquiry was simply made in good faith, with a view to ascertaining the principle that controls the majority of the Finance Committee in the regulation of these duties. Here we are called upon to consider in a Senate of 92 Members the duties upon I do not know how many thousand articles. We have already, within the space of two hours, considered the duties upon about 50 articles. I was anxious to know whether there was a general principle that controlled the duty upon all, or whether there was no principle whatever, and whether we must take into consideration the special circumstances surrounding the production of each article. If the latter is to control—and I am told by the Senator from Montana [Mr. CARTER] that it is to control—then we certainly are not proceeding with the deliberation and the circumspection that ought to attend a proceeding of this kind.

Mr. CARTER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Nevada yield to the Senator from Montana?

Mr. NEWLANDS. I will get through my statement in a moment.

We have had no statement whatever, except when it was asked for, of the imports of a particular article, of the production of a particular article, of the labor cost in other countries, and the labor cost in this country. Here we are, claiming to have the capacity, as a business body, to act upon this matter, utterly ignoring the creation of any scientific body to sift this question and reach a conclusion, and yet passing on these schedules in this speedy way, without any inquiry into circumstances and conditions. So that, as a matter of fact, it simply means that this body is not deliberating at all upon the subject, and that the only part of this body which has deliberated upon it is the majority of the Committee on Finance, without the participation of the minority, and that the great mass of this body accept their conclusions without question and without inquiry into the conditions and circumstances that have controlled their judgment.

Mr. CARTER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Nevada yield to the Senator from Montana?

Mr. NEWLANDS. Certainly.

Mr. CARTER. Mr. President, I believe I observed accurately that the Senator from Nevada finds confusion as to a principle in the one case and as to a rule in the other. He rose to inquire what rule had been controlling throughout the formation of this bill—why percentages did not obtain uniformly as to all productions, regardless of the conditions or circumstances surrounding them. I undertook merely to repeat in my own way what I understood to be the statement of the Senator from Rhode Island, that no inflexible rule could be employed where conditions were varied and constantly varying.

Now, as to a principle, the Senator from Nevada presents a different question. I understand it to be distinctly understood, and not questioned anywhere, that this bill is framed upon a principle clearly announced and well understood throughout this country, to wit, that such duties shall be imposed upon importations as will make up the difference between the cost of labor and production abroad and the cost of labor and production at home.

Mr. GALLINGER. With a reasonable profit.

Mr. CARTER. The application of that principle results in a 25 per cent imposition of duty in one case, 150 per cent in another, and no duty at all in another.

Mr. BACON. Mr. President, I do not think the Senator correctly quotes his own platform.

Mr. CARTER. The substance of it, I think.

Mr. BACON. No, sir; the platform is not simply to cover the difference in wages, but it adds "a reasonable profit" besides, which is a very elastic provision.

Mr. CARTER. O, Mr. President, a reasonable profit goes with production. No one will undertake to invest capital with-

out compensation; and capital, the accumulated earnings of the world, is entitled to its daily and annual wage just as is the individual who works with his brawn and brain from morning until night. To undertake to conduct manufacturing operations or transportation operations or farming operations without the investment of capital is impossible, and to undertake to conduct such operations without any profit is simply Utopian. Of course, it is understood that the capital employed shall be accorded reasonable profit. That is one of the legitimate costs of production.

Mr. LODGE. Mr. President, I was called from the Senate Chamber when paragraph 17 was disposed of. I desired to have it passed over.

Several SENATORS. It has been.

Mr. LODGE. I was told it had not been.

The VICE-PRESIDENT. Paragraph 17 has not been passed over. The Senator from Massachusetts now asks that it be passed over.

Mr. LODGE. I desire to have it passed over.

Mr. PENROSE. The Senator from New Jersey asked to have it passed over.

Mr. LODGE. The Chair has just stated that it has not been passed over.

The VICE-PRESIDENT. The junior Senator from New Jersey requested that it be passed over, and afterwards withdrew the request.

Mr. LODGE. As I say, I was absent, and I desire to have it passed over. I should have asked that it go over if I had been here. Therefore, I ask that the vote by which the paragraph was agreed to be reconsidered, and that it shall then be passed over.

The VICE-PRESIDENT. Without objection, that order will be entered. No objection is heard. The paragraph is passed over.

Mr. NEWLANDS. Mr. President, the Senator from Montana [Mr. CARTER] declared that, whilst it was impossible to state the rule by which these duties were determined, it was possible to state the principle, and that is the principle of protection; and yet I venture to say that the Senator has not, during this inquiry in the Senate or at any time, with reference to any of the 46 articles considered, for himself entered into an inquiry as to whether the principle of protection justifies these duties. He must submit, as almost the entire majority must submit, and the Senate itself must ultimately submit, to the judgment of six or seven men on the Committee on Finance, with the probability that the judgment of those six or seven men is almost entirely deferential to the judgment of the chairman of the committee.

So far as I am concerned, I do not believe in free trade. I do not believe in a radical reduction of the tariff.

Mr. ALDRICH. Mr. President—

Mr. NEWLANDS. If the Senator will permit me for a few moments, I will yield to him later.

I realize the fact that we have gone a long way from the proper principle which should control, but the abuses that have sprung up have become so thoroughly interwoven with our entire industrial system that to radically change them in a moment of time would produce industrial paralysis. I realize that we can not immediately return to correct principles; that we can not return in a year; that we can not return in five years; that we may not be able to return in ten or twenty years. But I believe that the demand of the country, the demand of the Republican party itself, is that we should gradually return; and so far as any reduction in excessive duties is concerned, the Democrat who believes as a matter of principle in a tariff for revenue can join with a progressive Republican who believes in a reduction of duties in ascertaining some rule for gradual, progressive reduction in the duties of the country which, without paralysis to business, without violent readjustments, without exciting alarm or business disturbance, will gradually in a course of years bring us to normal conditions.

If we can accomplish this in ten years we will do well, for what is ten years in the life of the Nation? If we can do it in twenty years we will do well, for what is twenty years in the life of the Nation? For fifty years we have now been contending over the tariff. The Morrill tariff was the highest protective tariff that this country had produced up to that time, and it was producing so large a surplus that there was an agitation for the reduction of duties, and a commission was organized by the Republican party for the purpose of reducing those duties. A conflict of interests, however, arose in the Senate and House which prevented their acceptance of the judgment of a commission organized by the Republican party itself; and so that movement, commenced forty years ago by the Republican party for the reduction of excessive duties imposed as a matter perhaps

of war necessity, ended in the McKinley Act, the highest tariff on the statute books of the country up to that time.

The movement of the Republican party for reform and reduction thus ended in increasing existing duties and exaggerating the abuses of the protective system. There was then a revulsion of public sentiment and the Democratic party came into power; and yet I am told that the Wilson tariff, which they produced, was in excess of the duties of the Morrill tariff—the Republican tariff—which the Republicans themselves set about to reform and reduce. Why? Because these abuses had grown into and formed a part of the entire industrial system of the country, and the Democrats were obliged to recognize them; and they could not, without violent readjustment, make as big reductions as the principle to which they were devoted demanded. And then the Democratic party went out of power, having passed the Wilson bill, and the Republican party, which had started out years before upon the lines of reform and reduction, regarded the victory at the polls as a warrant from the country to increase the excessive duties of the McKinley bill; and so we had the Dingley bill, the highest bill of all.

There has been a movement recently throughout the entire country, a movement not simply upon the part of the Democratic party, but a movement upon the part, I believe, of the majority of the Republican party, demanding a return, gradual though it be, to just principles.

I am solicitous that the tariff should be taken out of politics. I do not believe it is to the advantage of the country to have so serious an economic question as this is the subject of political discussion every four years, the subject of political action every four years, with the resulting alarm, apprehension, and disturbance of business; and I believe that that is the sentiment of the Republican party, that it is the sentiment of the majority of the people of this country, that they want either a tariff commission organized, acting under a rule imposed by Congress, which will force a gradual reduction of these duties, or they want Congress itself to take such action.

I wish to join—for the Democratic party of course will find it impossible to record upon the statute books its judgment—with the progressive element of the Republican party in an honest effort to reduce these duties, and though their reduction either now or in the future may not reach the limit which I would urge, yet I am prepared to go on with them along the line of reform, in the pathway of reform, though perhaps they may not be willing to go as far as I may, and though perhaps hereafter we may be compelled to part.

So I trust that the progressive element of the Republican party, represented in this body, that progressive element so ably represented by the Senator from Wisconsin and the Senator from Iowa, will take heart and realize that though they may be in the minority on this floor so far as their own party is concerned, they have the power, by the addition of Democratic votes, to put upon the statute books that which they wish.

I would encourage them in standing against the men who for twenty years have represented not the real interests of this country, but every abuse in it, and if they are earnest in their desire for reform, I ask them to present some rule for progressive reduction which we can accept, and if they will produce it, we will put it upon the statute books and the country will sustain it.

Mr. ALDRICH. Mr. President, I have sometimes had doubts whether the Senator from Nevada [Mr. NEWLANDS] had any authority to represent either the Democratic party or any progressive element of the Republican party. He is anxious about principles. I wish he would illumine the Senate briefly, if he can, as to what are the joint principles of the gentlemen to which he has alluded. What would they do in a concrete case? For instance, take the duty on borax at 150 per cent ad valorem. What would the Senator suggest as a practical question about borax? Would he assume from the fact that there is 150 per cent ad valorem upon it, it ought to be put upon the free list? Would he suggest that the duty should be reduced so low that the mines and the borax producers in Nevada should be wiped out completely and the foreigners should be given the benefit of the great market of this country? What are the joint principles of this new coalition which the Senator from Nevada is going to lead?

I hope they will be disclosed, that the Senate and the people of the country may know upon what principles this combination is to be held together.

Mr. LODGE. Mr. President, I merely wish to ask one other question, as the Senator from Nevada is speaking about the principles of this new party. What was the rule or principle adopted by the party to which the Senator now belongs, in its caucus, in regard to the reduction of duties in the schedules?

What general rule did the Democratic caucus adopt? That would give us a starting point.

Mr. NEWLANDS. Mr. President, I shall not initiate the Senator from Massachusetts into the secrets of the Democratic caucus.

Mr. LODGE. There is no need to do so.

Mr. NEWLANDS. I shall content myself—

Mr. BACON. I suppose the Senator from Massachusetts, in saying it is unnecessary to initiate him, refers to a period some thirty-five years ago when he was in affiliation with them.

Mr. LODGE. No. Mr. President, I never supposed before that the Senator from Georgia was guilty of so much imagination. I never was in a Democratic caucus in my life.

Mr. BACON. I may be mistaken, but I have always understood that the Senator from Massachusetts supported Mr. Greeley.

Mr. LODGE. No, Mr. President, I voted for General Grant. But even if I had, I do not think it would alter what we are getting at now, which is the general principle of action; and when I referred to information about the Democratic caucus being unnecessary, it was because, it seemed to me, it had all been confided to the newspapers, where we could all read it.

Mr. NEWLANDS. So far as the remarks of the Senator from Rhode Island are concerned, I realize, of course, that he is endeavoring to make a personal argument against myself regarding the duty upon borax, because borax happens to be produced in my State. I wish to say that so far as the imposition of that duty is concerned, I know nothing definite. I have no definite knowledge regarding the principles which regulate that duty. If, as he says, the duty is 150 per cent, I have no hesitation in saying it ought to be radically reduced.

Mr. GALLINGER. To what point?

Mr. NEWLANDS. The Senator asks me to what point. I tell him that at this time I am unable to state to what point. I lack the same information that almost every other Senator lacks with reference to these matters.

The Senator inquires what are the principles of the coalition which I would suggest. I suggest no coalition.

Mr. ALDRICH. Will the Senator permit me? I understood the Senator to suggest that the rule and principle ought to be applied without information.

Mr. NEWLANDS. I imagine that rules are always based upon information and that principles are always based upon information, and I lack some confidence, I may say, in action which has neither a rule nor a principle which can be expressed regarding it.

The Senator inquires what are the principles of this new coalition. I suggest no coalition. I suggest that the Democratic party will aid and follow the progressive part of the Republican party in any honest effort which they will make to reduce excessive duties; and if the Senator inquires what principle shall control us, I will say the principle of a gradual and a progressive reduction of excessive duties, and men who are in favor of that can act together, whether they be protectionists, or whether they be free traders, or whether they be for a tariff for revenue, for any reduction in excessive duties meets, in part at least, the existing demands of all. The only thing we have to determine is whether the duties are excessive.

Mr. ALDRICH. Will the Senator permit me?

The VICE-PRESIDENT. Does the Senator from Nevada yield to the Senator from Rhode Island?

Mr. NEWLANDS. Certainly.

Mr. ALDRICH. I will be very glad to ask him a question which I fear may perhaps be rather personal. The Senator from Nevada has introduced a bill to reduce certain duties progressively for a period of years.

Mr. NEWLANDS. Yes.

Mr. ALDRICH. I should like to ask him whether that bill has the support of the Democratic party or of the progressive Republicans to any extent that he knows of?

Mr. NEWLANDS. I will state that I have not consulted the Democratic party or the progressive Republicans with reference to that measure beyond merely calling attention to its provisions in a few remarks. I simply presented it as a tentative amendment to the pending bill with a view to promoting consideration and inquiry.

I am not altogether satisfied as yet whether the principle of the amendment which I have offered is correct or not, but the amendment is before the Senate, and I trust will receive consideration. I would be very glad to hear from the Senator from Rhode Island regarding it.

I have introduced two amendments, one which provides that all duties in excess of 45 per cent, which is the general average of the protective duties imposed by this bill, should be gradually

reduced at the rate of one-tenth of the excess until 45 per cent is reached. Under that process it would take ten years to reduce what may be regarded as the excessive duties of the tariff to the average duty of 45 per cent; and I have assumed that a duty which adds to the cost of an imported article nearly 50 per cent will be sufficient to protect the production of such commodity in this country.

I have also offered an amendment which provides that whenever it shall be found and ascertained that the importations of any article do not equal one-tenth of the total consumption of the country, the duty shall be reduced at the rate of one-tenth per annum until the importations do amount to one-tenth; for I assume that no wise man wishes to shape a bill which will absolutely prohibit the importation of all foreign products, or of any, and that the importation of one-tenth only of our total consumption will be a regulator against monopoly instead of involving the destruction of any American industry.

I realize that we on the Democratic side can not have our way. I realize that in our amendments to this bill, if we expect to have them incorporated into law, we must accommodate ourselves to the protection principle in order to secure the support of such progressive Republicans as the Senator from Iowa and the Senator from Wisconsin; and therefore, as a sensible, practical thing, I do not urge here for immediate action legislation which would be regarded as seriously impairing the protective principle, but only such reasonable legislation as the progressive Republicans may themselves be willing to concur in. And these are the principles which regulate my action regarding this bill.

Mr. MONEY. Mr. President, I do not want this discussion to close without saying something in reply to what has been said about cotton-seed oil on the taxed list. I do not know who has been before the committee to advocate a tax upon cotton-seed oil. It is a very large product of my State, and the exclusive product of the Southern States. But I desire to say that there is not a single Democratic Senator that I have ever heard of who has asked for any such tax, and I have inquired to find if anyone wanted the tax put on. We have no competitor that I am aware of in the production of cotton-seed oil. I suppose about \$20,000 worth came in last year. We do not want any protection on it. Why it was put on the taxed list I do not know, because there is no revenue in it, and there is no protection in it.

I heard the Senator from Rhode Island, the distinguished chairman of the committee, say, in reply to a question put by the Senator from Nevada, that the controlling principle in the making of this bill was to give protection to every American manufacturer or producer who needed it. I suppose in this case "principle" is a synonym of "purpose" or "object." He stated it very fairly and very neatly, and I am very glad he did it, so that there may be no misunderstanding about it whatever anywhere.

But I do object to having it said here or elsewhere that anybody on this side of the Chamber has ever asked for a duty of any sort on cotton-seed oil, as it can not protect anybody and it can not bring in any revenue. Why it is in the schedule at all, I do not understand. It was stricken out in one place and put in in another, among other oils, expressed, distilled, and so forth.

Mr. ALDRICH. Mr. President—

The VICE-PRESIDENT. Does the Senator from Mississippi yield to the Senator from Rhode Island?

Mr. MONEY. Certainly.

Mr. ALDRICH. I think the Senator from Mississippi was not in the Chamber when I made the statement which I did. It was not that the Senators upon the other side of the Chamber had asked me to put a duty on cotton-seed oil, but I said the representatives of the producers of cotton-seed oil had requested that it be put upon the dutiable list and removed from the free list; and I can submit to the Senator, if he so desires, a number of briefs from the manufacturers of cotton-seed oil in the South making that request very strongly.

Mr. MONEY. Of course I have not seen these briefs, but I want to say that two gentlemen representing large cotton-seed oil producing mills were in my office this morning, and they did not ask anything of the sort. They only asked that oleine and stearin should be put on the free list. Nobody said a word to me about a tax on cotton-seed oil. It is totally unnecessary, as I said, from either point of view—the protective or the revenue point.

Mr. ALDRICH. I think the Senator from Mississippi will agree that they would be more likely to speak to me about it than to him.

Mr. MONEY. I think it is quite likely they would. But I want to say now and here, and I will say it again, that no man

from Mississippi need come to me for a protective duty on anything. I would no more protect an interest in Mississippi than I would one in Rhode Island or Massachusetts or anywhere else. Why? Because there is no authority in this Congress to levy a tax upon the people of the United States for the purpose or upon the principle of protecting manufacturers or any other American interest. There is not—

Mr. ALDRICH. Mr. President—

Mr. MONEY. One moment, if you please, and I will yield to you with pleasure. There is, in my opinion, no authority in this Congress to tax any citizen except to defray the expenses of the Government. When we do anything else it is ultra vires. It is not only unconstitutional, but it is immoral, because it is taking from one man and giving it to another, without any compensation whatever to the former.

I do not say you have not the power by a majority vote to do what you please with this matter, and long ago it was decided by the first Chief Justice, and one of the greatest, John Marshall, that the power to tax was the power to destroy; and I suppose the inverse of that proposition is to be received here as good public policy—that you can build up by taxation one set of private enterprises and individuals at the expense of a great many other people who are working without any such aid.

I am glad the Senator has stated the principle so plainly. It was not misunderstood, however. But a declaration of that sort clears the atmosphere a little bit, and I want to clear the atmosphere in regard to this product, which you put upon the tax list at 25 per cent. It is not wanted and it is not needed, and I do not want it charged to the South that they are being protected in this bill upon the product of cotton seed.

Mr. ALDRICH. Mr. President, I acquit the Senator from Mississippi of inconsistency. He is a survivor—I will not say the only survivor, and it is not upon the doctrine of the survival of the fittest that I make the statement—but he is a survivor of the old-fashioned Democratic doctrine of supporting a tariff for revenue only, and he has never, so far as I know, been inconsistent in the advocacy of that doctrine.

Mr. MONEY. I am very much obliged to the Senator for this tribute to my consistency and my Democracy, and my constitutionality also. I want to say that the other day, when the distinguished Senator from Rhode Island read what he said was the principle of his ancestors, of his own father, it was the straight Democratic principle which I have just announced, and I felt gratified that he had such a father, but I did not feel proud that his father had such a son. [Laughter.]

I want to say, with the greatest esteem and most kindly feeling for that Senator, distinguished as he is, that when I thought of his childish ignorance of the principles upon which a bill of this sort should be framed, of his childhood days and his full knowledge as a man, knowing that he has grown in stature but not in grace politically, I was reminded of the beautiful little poem by Tom Hood, when the old man, speaking of the scenes of his childhood, said:

I remember, I remember
The fir trees dark and high—
I used to think their slender tops
Were close against the sky:
It was a childish ignorance;
But now 'tis little joy
To know I'm farther off from heav'n
Than when I was a boy!

[Laughter.]

Mr. SCOTT. Mr. President, I wish to ask the Senator from Mississippi if I understood him to say that he is not in favor of protecting any article in the bill? I wanted the Senator to help me on lumber. I was very sorry, indeed, to hear him say that he is not in favor of protecting anything.

Mr. MONEY. Will the Senator permit me to say that I am not in favor of protecting lumber, but I will announce later that I am in favor of raising revenue. I am here representing the United States Government in a bill which ought to be framed to raise revenue, and we have no right to frame a bill for any other purpose, according to my opinion.

The Senator says it might be the survival of the fittest. But what is the survival of the fittest? The fittest for what? The fittest to join in what old Sam Cox used to call the "mutuality of rascality," as shown in all these bills? No; I am not a survival of that sort. Put one of these people of the Far East who can live upon 2 or 3 cents a day and live in a squalid manner and wear cheap, common clothes, alongside of an American citizen on the same farm, and the survival of the fittest will be the oriental; he will survive when the other man will have been in his grave for many years. The survival of the fittest is the fittest for that particular thing. He is the

fittest in a general sense; he is not the best man, not the noblest man, not the purest man, but the best man for that particular thing, whatever it may be.

I want to say to the Senator from West Virginia that he must not be discouraged because I announce this principle. I am for a tax on lumber, not for the protection of lumber, but because it produces a very handsome revenue.

Mr. SCOTT. I am obliged to the Senator for his support.

Mr. MONEY. I would tax everything that produces revenue, except those things that enter into the composition of fertilizers, because fertilizers, to speak both figuratively and literally, go to the root of all things. When the distinguished Senator took sulphate of ammonia from the free list in the Payne bill, which is one of the principal ingredients in the fertilizers of the country, it was put on the tax list, not at the request of the millions of farmers throughout the country who use it, but of the men who produce it. The man whose interest is being protected is the manufacturer. He is the man who wants protection on the blood and tankage which furnishes nitrogen, which is the principal ingredient in the fertilizers, and he does not want a competitor such as sulphate of ammonia to enter in except with a tax.

I will vote to put a duty on anything that will make a tariff revenue until I have an assurance that the point has been reached where the expenses of the Government will be properly met. Then I will stop. In the meanwhile, I would extend this burden everywhere, that it might be as lightly borne as possible. I would extend it for the general benefit to every man, because there is an incidental benefit that is to be distributed as well as the other, but I would not have a revenue bill framed for the purpose of protecting anybody on earth. Why? Because, in the first place, it has been pronounced against too often.

It is not constitutional. The Supreme Court here has said so. It has said, in substance, that whenever, under the law, you take money from a man and bestow it upon a private person doing a private business for his benefit you have committed a robbery in the form of law. That is pretty harsh language. I am not speaking except in quotations, because I would not offend the sensibilities of any Senator on the other side by using harsh language, but that is what the court said. The court goes on and says that it is not legislation, but a legislative decree.

This is not the time to discuss that. I only want to set the Senate and the country right on the fact that we have not asked for the protection of cotton seed. If any of my constituents have approached the Committee on Finance on the subject, it was not through me or by me, but for his purpose. I think myself that the Senator from Rhode Island is quite right, and he had better go to him and not to me.

The VICE-PRESIDENT. The Secretary will proceed with the reading of the bill.

The next amendment was, on page 16, line 17, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section;" and in line 18, before the words "per cent," to strike out "twenty" and insert "twenty-five," so as to make the paragraph read:

65. Perfumery, including cologne and other toilet waters, articles of perfumery, whether in sachets or otherwise, and all preparations used as applications to the hair, mouth, teeth, or skin, such as cosmetics, dentifrices, including tooth soaps, pastes, including theatrical grease paints and pastes, pomades, powders, and other toilet articles, all the foregoing; if containing alcohol, or in the manufacture or preparation of which alcohol is used, 60 cents per pound and 50 per cent ad valorem; if not containing alcohol, or in the manufacture or preparation of which alcohol is not used, 60 per cent ad valorem; floral or flower waters containing no alcohol, not specially provided for in this section, 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 16, line 20, before the words "per pound," to strike out "50 cents" and insert "\$1," so as to make the paragraph read:

66. Santonin, and all salts thereof containing 80 per cent or over of santonin, \$1 per pound.

Mr. BACON. Will the Senator from Rhode Island pardon me if I ask him what is "santonin?"

Mr. ALDRICH. It is the active principle of santonica, obtained from worm seed, the seed of a species of southern wood.

Mr. BACON. And that is the reason why the duty is raised to \$1?

Mr. BEVERIDGE. What is it used for?

Mr. TILLMAN. I wish to suggest to the Senator from Rhode Island that the word "south," while in the United States applies to a certain section of our country, it also geographically applies to half of the world, and that this wood is not grown down there that I know anything about. If it is one of the things the South has, I want it taken out right here.

Mr. ALDRICH. I will suggest to the Senator that it is a medicine which is used as a vermifuge.

Mr. BEVERIDGE. Let the paragraph be passed over.

The VICE-PRESIDENT. The paragraph will be passed over. The next amendment was, on page 16, after line 20, to strike out the subhead "Soap."

The amendment was agreed to.

The next amendment was, on page 16, line 25, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section," so as to make the paragraph read:

67. Castile soap, 1½ cents per pound; fancy, perfumed, and all descriptions of toilet soap, including so-called medicinal or medicated soaps, 20 cents per pound; all other soaps not specially provided for in this section, 20 per cent ad valorem.

Mr. SMOOT. Let the paragraph be passed over.

The VICE-PRESIDENT. It will be passed over.

The next amendment was, on page 17, after line 2, to strike out the subhead "Soda."

The amendment was agreed to.

The next amendment was, on page 17, line 6, after the word "soda," to strike out "three-fourths" and insert "five-eighths," so as to make the paragraph read:

68. Bicarbonate of soda, or supercarbonate of soda, or saleratus, and other alkalies containing 50 per cent or more of bicarbonate of soda, five-eighths of 1 cent per pound.

The amendment was agreed to.

The next amendment was, on page 17, line 9, before the words "per pound," to strike out "1 cent" and insert "1½ cents," so as to make the paragraph read:

69. Bichromate and chromate of soda, 1½ cents per pound.

Mr. DU PONT. I ask that this paragraph be passed over.

The VICE-PRESIDENT. It will be passed over.

The next amendment was, on page 17, line 16, after the word "soda," to strike out 30 per cent ad valorem and insert "three-eighths of 1 cent per pound," so as to make the paragraph read:

71. Hydrate of, or caustic soda, one-half of 1 cent per pound; nitrite of soda, 2 cents per pound; hyposulphite and sulphide of soda, three-eighths of 1 cent per pound.

Mr. DICK. I ask that the paragraph may go over.

The VICE-PRESIDENT. The paragraph will be passed over.

Mr. DU PONT. Was paragraph 70 passed over?

The VICE-PRESIDENT. It was not.

Mr. DU PONT. I ask that it be passed over.

The VICE-PRESIDENT. Paragraph 70 was read. It will be passed over.

The next amendment was, on page 18, line 5, after the word "in," to strike out "sections 1 or 2 of this act" and insert "this section," so as to make the paragraph read:

77. Sponges, 20 per cent ad valorem; manufactures of sponges, or of which sponge is the component material of chief value, not specially provided for in this section, 30 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 18, after line 9, to strike out:

79. Sulphur, refined or sublimed, or flowers of, \$6 per ton.

The amendment was agreed to.

The next amendment was, on page 18, after line 11, to insert: 79. Sulphur, refined or sublimed, or flowers of sulphur; and sulphur or brimstone advanced beyond the original condition as mined, by melting, refining or any process whatever by means of which impurities or extraneous matter, wholly or in part, have been removed, \$6 per ton.

Mr. ALDRICH. I ask that the amendment be disagreed to.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

Mr. BEVERIDGE. I supposed that the amendment was for purposes of classification.

Mr. ALDRICH. It is a mistaken classification, we found.

Mr. HALE. It restores the House provision.

Mr. BEVERIDGE. I understand what it is, perfectly. I was wondering why it was that the committee placed—

Mr. ALDRICH. I suppose the Senator from South Carolina wants to have the House rate restored, also.

Mr. TILLMAN. No; I want to have the article of sulphur placed on the free list. It is an important part of fertilizers.

Mr. ALDRICH. That is what would happen if the amendment is disagreed to.

Mr. TILLMAN. I thought the House placed a duty of \$6 a ton on sulphur.

Mr. ALDRICH. This is refined sulphur.

Mr. TILLMAN. All right. I understood, a little while ago, that it was the policy of the Senator from Rhode Island to admit free all ingredients which are used in the manufacture of fertilizers.

Mr. ALDRICH. That is right.

Mr. TILLMAN. This is one of the principal ingredients, because sulphuric acid is absolutely essential in mixing the phosphates dug in Tennessee, Florida, and South Carolina.

Mr. ALDRICH. The Senator from South Carolina wants to vote with us in disagreeing to this amendment.

Mr. SMOOT. Mr. President—

Mr. BACON. What effect does that have upon the action of the House?

The VICE-PRESIDENT. The Senator from Utah was recognized.

Mr. BEVERIDGE. I was on the floor and had not completed my remarks.

The VICE-PRESIDENT. The Senator from Utah was recognized before the Senator from Indiana rose.

Mr. BEVERIDGE. The RECORD will show the reverse was the case, but I do not insist.

Mr. SMOOT. I will yield to the Senator from Indiana.

Mr. BEVERIDGE. Not at all.

Mr. NELSON. Will the Senator—

The VICE-PRESIDENT. The Senator from Utah is recognized by the Chair.

Mr. NELSON. Will the Senator yield to me for a minute?

Mr. SMOOT. I yield to the Senator from Minnesota.

Mr. NELSON. The amendment proposed by the Senate is in the nature of a motion to strike out and insert. If that amendment is rejected, it seems to me that the House provision remains.

Mr. SMOOT. That is true.

Mr. NELSON. You want to have the House provision remain?

Mr. ALDRICH. Yes.

Mr. SMOOT. Perhaps I had better explain how the Senate committee came to make the amendment. There has been a great deal of sulphur of late discovered in Japan. It is formed by hot water running from the mountains, coming out in crude sulphur, almost pure. That sulphur comes into this country now free. It is 99.7 per cent pure sulphur, but it comes in the shape of mats, and has been always allowed to come here free.

There are a great many sulphur mines in Wyoming and Utah that come in direct competition with this product. We thought by the wording of the amendment that we could eliminate the Japanese sulphur and still not interfere with the Sicilian sulphur that comes here in the East and is manufactured in sulphuric acid and fertilizer, used in wood pulp, and a thousand other things. But we found that it was impossible to do that.

So we are now perfectly willing to go back to the Dingley rate and let the sulphur come in as it did. It is crude sulphur that comes in mats, and it does not interfere at all with the Japanese sulphur.

Mr. BACON. If I understand the Senator correctly, the present rate of duty is only on the refined or sublimate of sulphur.

Mr. SMOOT. Yes.

Mr. BACON. It does not affect the crude sulphur?

Mr. SMOOT. It does not affect the crude sulphur.

Mr. BACON. So, if the law is permitted to stand as it is now, crude sulphur will come in free of duty.

Mr. SMOOT. Crude sulphur will come in free of duty.

Mr. TILLMAN. The Senator from Florida has just informed me that a certain portion of Louisiana is interested in this sulphur schedule, and as the Senators from Louisiana are not present, I suggest to the chairman of the Committee on Finance to let the paragraph go over until we can hear from Louisiana. Perhaps there is something down there that they would like to get a little protection for.

Mr. SMOOT. I will inform the Senator from South Carolina that Louisiana to-day is not interested in the tariff on sulphur in any way. Louisiana can produce sulphur cheaper than any country on earth.

Mr. TILLMAN. They just go and dig it out of the ground and shovel it into a sack and ship it here?

Mr. SMOOT. They do not even dig it out of the ground. They pump the hot water, and it runs out sulphur. I understand that Louisiana is in such a position to-day that they have even gone so far as to go to Sicily and tell the authorities there if they import sulphur into this country, they will flood their own markets with sulphur. I have seen the statement made that they can produce sulphur in Louisiana to-day for \$3.56 a ton. Louisiana controls the sulphur market of the world.

The VICE-PRESIDENT. The Senator from South Carolina asks that the paragraph be passed over. It will be passed over.

The next amendment was, on page 18, line 18, before the word "cents," to strike out "fifteen" and insert "twenty-five," so as to make the paragraph read:

81. Vanillin, 25 cents per ounce.

The amendment was agreed to.

The next amendment was, in Schedule B, on page 18, after line 19, to strike out the subhead "Brick and tile."

The amendment was agreed to.

EXECUTIVE SESSION.

Mr. ALDRICH. I move that the Senate proceed to consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After eight minutes spent in executive session the doors were reopened, and (at 5 o'clock and 8 minutes p. m.) the Senate adjourned until to-morrow, Thursday, April 22, 1909, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate April 21, 1909.

ENVOY EXTRAORDINARY AND MINISTER Plenipotentiary.

H. Percival Dodge, of Massachusetts, now envoy extraordinary and minister plenipotentiary to Salvador, to be envoy extraordinary and minister plenipotentiary of the United States of America to Morocco, vice Samuel R. Gummeré.

RECEIVER OF PUBLIC MONEYS.

William C. Blair, of Lake City, Colo., to be receiver of public moneys at Montrose, Colo., vice Gordon Kimball, term expired.

REGISTER OF THE LAND OFFICE.

William H. Batting, of Wallace, Idaho, to be register of the land office at Coeur d'Alene, Idaho, vice Robert N. Dunn, resigned.

SURVEYOR-GENERAL.

Edward P. Kingsbury, of Washington, to be surveyor-general of Washington, his term having expired March 1, 1909. (Reappointment.)

PROMOTIONS IN THE ARMY.

MEDICAL CORPS.

Capt. Elbert E. Persons, Medical Corps, to be major from January 1, 1909, vice McCaw, promoted.

Capt. William N. Bispham, Medical Corps, to be major from January 1, 1909, vice Kean, promoted.

INFANTRY ARM.

Second Lieut. Albert B. Hatfield, Eighteenth Infantry, to be first lieutenant from March 25, 1909, vice Stone, Thirtieth Infantry, promoted.

Second Lieut. Reginald H. Kelley, Fourth Infantry, to be first lieutenant from April 3, 1909, vice Kinzie, Twentieth Infantry, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate April 21, 1909.

MINISTER TO CHILE.

Thomas C. Dawson to be envoy extraordinary and minister plenipotentiary of the United States of America to Chile.

UNITED STATES ATTORNEY.

Cornelius D. Murane to be United States attorney, third division, district of Alaska.

POSTMASTERS.

KANSAS.

Almond P. Burdick, at Nortonville, Kans.
Henry A. Platt, at Overbrook, Kans.

MAINE.

Harlan P. Dennison, at West Bethel, Me.

MASSACHUSETTS.

Charles D. Streeter, at Mount Hermon, Mass.

SENATE.

THURSDAY, April 22, 1909.

Prayer by Rev. Ulysses G. B. Pierce, of the city of Washington. The Journal of yesterday's proceedings was read and approved.

PETITIONS AND MEMORIALS.

The VICE-PRESIDENT presented petitions of sundry citizens of Illinois, Missouri, Oklahoma, Minnesota, Maine, Texas, Ohio, North Carolina, New York, New Jersey, Arkansas, California, Wisconsin, Pennsylvania, Indiana, Tennessee, and Michigan, praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

Mr. SCOTT presented petitions of sundry citizens of Berkeley Springs, Sherry Run, and Morgan County, all in the State of West Virginia; of Illinois, Texas, Missouri, Colorado, and Connecticut, praying that a suitable memorial to James Rumsey be placed in Statuary Hall of the Capitol building, which were referred to the Committee on the Library.